



**REPORT OF THE BOARD OF DIRECTORS IN RELATION TO ITEM 5.1 ON THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR 21 MARCH 2024, AT FIRST CALL, AND FOR THE FOLLOWING DAY, 22 MARCH, AT SECOND CALL, REGARDING THE PROPOSED RESOLUTION TO REDUCE THE SHARE CAPITAL OF CAIXABANK, S.A. BY EUR 129,404,256 NOMINAL AMOUNT THROUGH THE REDEMPTION OF 129,404,256 TREASURY SHARES**

**Board of Directors – 15 February 2024**

## I. SUBJECT MATTER OF THE REPORT

This report has been prepared by the Board of Directors of CaixaBank, S.A. ("**CaixaBank**" or the "**Company**") in compliance with the provisions of Articles 286 and 318 of the revised text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, as amended (the "**Corporate Enterprises Act**"), in relation to the proposed resolution submitted for approval by the Ordinary General Shareholders' Meeting under item 5.1 on the agenda, to reduce the share capital of CaixaBank by ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256) nominal value through the cancellation of ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank treasury shares at ONE EURO (EUR 1) nominal value each.

Article 286 of the Corporate Enterprises Act requires that, in order to amend the corporate by-laws, the Directors to draw up a written report justifying the proposal.

Article 318 of the Corporate Enterprises Act states that the share capital reduction must be agreed by the General Meeting with the requirements for the amendment of the by-laws, and duly express the amount of the capital reduction, the purpose of the reduction, the procedure by which the company will carry it out, the execution period and the amount to be paid, if any, to the shareholders.

Whereby the capital reduction must be in accordance with the requirements of the amendment to the by-laws and necessarily involves the amendment of the article of the by-laws governing the share capital, the Board of Directors of CaixaBank issues this report in compliance with the aforementioned provisions.

It is hereby stated that the Company has obtained authorisation for the reduction of capital and the consequent amendment of articles 5 and 6 of the By-laws, as regards share capital and number of shares, in accordance with the regime provided for in article 10 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.

## II. DESCRIPTION OF THE PROPOSAL

It is proposed to the Ordinary General Shareholders' Meeting of CaixaBank to approve the reduction of the share capital by ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256) in nominal value through the redemption of ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND,

TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank treasury shares, each with a nominal value of ONE EURO (EUR 1).

The treasury shares being redeemed were all acquired under the authorisation granted by the Company's General Shareholders' Meeting held on 22 May 2020 under item 8 on the agenda, within the framework of the share buyback programme whose approval and commencement was announced by means of a notice of *Inside Information* dated 18 September 2023 published on the website of the Spanish National Securities Market Commission (“CNMV”) (registry no. 1973) and on CaixaBank's corporate website (the “**Buyback Programme**”). The Buyback Programme ended on 3 January 2024, as announced in a communication from *Other Relevant Information* on the same date, published on the CNMV's website (registration number 26039) and on the Company's corporate website. It is hereby stated that on 28 July 2023 the Company already announced its intention to establish and implement the Buyback Programme, by means of an *Inside Information* communication published on the website of the CNMV (registration number 1943) and on the Company's corporate website.

The Buyback Programme has been implemented in accordance with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on conditions for buyback programmes and stabilisation measures.

The treasury shares acquired by CaixaBank under the Buyback Programme will be redeemed after approval of the capital reduction resolution by the General Shareholders' Meeting and, at the latest, within two months from the date of approval of the resolution.

As a result of the reduction, the share capital of CaixaBank is set at SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE EUROS (EUR 7,372,727,363), represented by SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE (7,372,727,363) shares of ONE EURO (EUR 1) nominal value each, all of them belonging to the same class and series, and the text of the proposed resolution reflects the new wording of the articles of the By-laws on share capital and the shares into which the Company's share capital is divided (Articles 5 and 6), in order to reflect the new capital figure and the new number of shares in circulation. It also provides for de-listing the ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank shares to be redeemed from trading on the Spanish stock exchanges and/or on the markets on which the Company's shares are listed, and the cancellation of the corresponding accounting records and the effective redemption of treasury shares, once the capital reduction has been implemented and formalised.

The capital reduction does not entail the return of contributions to the shareholders, as the Company itself is the owner of the shares being redeemed, and is charged against the share premium account or other unrestricted reserve accounts, by means of the allocation of a restricted reserve for redeemed capital for an amount equal to the nominal value of the redeemed shares, i.e. ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256), which may only be drawn down under the same conditions as those required for the reduction of share capital, in application of the provisions of article 335 c) of the Corporate Enterprises Act.

Additionally, it is expressly stated in the proposal that, once the capital reduction is fully effective, the amount of ONE BILLION, FOUR HUNDRED AND SEVENTY-FOUR MILLION, FIVE HUNDRED AND FORTY-FIVE THOUSAND, FOUR HUNDRED AND SEVENTY-TWO EUROS AND SIXTY CENTS (EUR 1,474,545,472.60), equal to 20% of the share capital resulting from the capital reduction, shall be considered a legal reserve. The surplus of 20% of the share capital of the legal reserve account, i.e. an amount of TWENTY-FIVE MILLION, EIGHT HUNDRED AND EIGHTY THOUSAND, EIGHT HUNDRED AND FIFTY-ONE EUROS AND TWENTY CENTS (EUR 25,880,851.20), will be reclassified to the voluntary reserves account and will therefore be considered an available reserve from that moment onwards.

It is proposed to empower the Board of Directors, to the fullest extent, and with express powers of substitution in the Executive Committee, in the Chairman of the Board of Directors, in the Deputy Chairman, in the Chief Executive Officer, in the Secretary and First Deputy Secretary of the Board of Directors, as well as in the Chief Financial Officer and in the Director of Accounting, Management Control and Capital, to perform such actions as may be necessary or advisable for the execution and successful completion of the capital reduction resolution, being able to determine those points that have not been expressly established in the resolution or that are a consequence of it, mentioning, as an illustration but not limited to, a number of specific powers.

### **III. GROUNDS FOR THE RESOLUTION**

The purpose of the capital reduction is to redeem all of the treasury shares acquired under the Buyback Programme, as announced when the programme was launched on 18 September 2023, as a complementary shareholder remuneration scheme.

CaixaBank's priority objective is to create shareholder value, therefore the different options available at any given time are analysed depending on the existing circumstances.

In view of the Company's position of high solvency, the Company approved the implementation of a share buyback programme to reduce share capital through

the redemption of treasury shares in order to complement, on an extraordinary basis, the traditional cash distributions provided for in the Company's dividend policy, as announced to the market in a notice of *Inside Information* published on 18 September 2023 on the website of the CNMV and on CaixaBank's corporate website.

For the approval of the Buyback Programme, CaixaBank's Board of Directors was authorised to acquire up to 10% of the share capital, which was granted to it for a period of five years by the Ordinary General Shareholders' Meeting of the Company held on 22 May 2020, under point 8 on the agenda.

Although CaixaBank's Board of Directors was authorised to approve the establishment of the Buyback Programme without the need to call a General Shareholders' Meeting, an additional resolution is required to redeem the treasury shares acquired, this being the purpose of the Buyback Programme established in accordance with the provisions of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on conditions applicable to buyback programmes and stabilisation measures. In order to redeem the shares acquired under the Buyback Programme, it is necessary for the General Shareholders' Meeting to adopt a capital reduction resolution such as the one proposed. This resolution provides for the reduction of the share capital through the redemption of the treasury shares acquired by the Company for this purpose under the Buyback Programme.

In view of the foregoing, the Board of Directors considers it necessary to approve a reduction of the Company's share capital through the redemption of treasury shares acquired under the Buyback Programme, on the terms indicated above.

#### **IV. EXCLUSION OF THE RIGHT OF OPPOSITION OF CREDITORS**

The capital reduction is to be carried out with a charge to share premium unrestricted reserve accounts through the allocation of a restricted reserve for amortised capital for an amount equal to the nominal value of the redeemed shares, which may only be used under the same requisites as those stipulated for the share capital reduction, in application of the provisions of Article 335 c) of the Corporate Enterprises Act. Therefore, the Company's creditors will not have the right of opposition referred to in article 334 of the Corporate Enterprises Act.

For the purposes of the provisions of article 411.1 of the Corporate Enterprises Act, it is hereby stated that the consent of the bondholders of the Company's outstanding bond issues is not required, in accordance with the provisions of Additional Provision One, section 9, of *Law 10/2014 of 26 June on the regulation, supervision and solvency of credit institutions*, and with the provisions of article 411 of the Corporate Enterprises Act itself.

## V. PROPOSED RESOLUTION

The full text of the proposed resolution to reduce the share capital as set out under item 5.1 on the agenda is as follows:

### ***Share capital reduction of a nominal amount of EUR 129,404,256, through the redemption of 129,404,256 treasury shares.***

*To reduce CaixaBank's share capital by ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256) nominal value through the redemption of ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank treasury shares with a nominal value of ONE EURO (EUR 1) each, acquired within the framework of the share buyback programme whose approval and commencement was announced in a communication of Inside Information dated 18 September 2023, and which ended on 3 January 2024, as announced in a communication of Other Relevant Information on the same date (the “**Buyback Programme**”). It is hereby stated that the Buyback Programme was implemented in accordance with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on conditions for buyback programmes and stabilisation measures.*

*As a consequence of the reduction, to set the share capital at SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE EUROS (EUR 7,372,727,363), i.e. SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE (7,372,727,363) shares of ONE EURO (EUR 1) nominal value each, all belonging to the same class and series.*

*The purpose of the capital reduction is to redeem all of the treasury shares acquired under the Buyback Programme, as announced at the launch of the programme on 18 September 2023, as a complementary shareholder remuneration scheme.*

*The treasury shares acquired by CaixaBank under the Buyback Programme will be redeemed after approval of this resolution by the General Shareholders' Meeting and, at the latest, within two months from the date of approval.*

*The capital reduction does not entail the return of contributions to shareholders as the Company itself is the owner of the shares being redeemed.*

*The capital reduction is charged to the share premium account or to other unrestricted reserve accounts. Pursuant to article 335 c) of the Corporate Enterprises Act, an amount equivalent to the par value of the redeemed shares, i.e. one hundred and twenty-nine million, four hundred and four thousand, two hundred and fifty-six euros (EUR 129,404,256) shall be transferred to a reserve, which may only be drawn down under the same conditions as those required for the reduction*



*of share capital. Consequently, the company's creditors will not have the right of objection referred to in article 334 of the Corporate Enterprises Act.*

*It is hereby stated that the consent of bondholder syndicates for outstanding debenture and bond issues provided for in article 411 of the Corporate Enterprises Act is not required, pursuant to the provisions of Additional Provision One of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.*

*As a consequence of the capital reduction, to amend articles 5 and 6 of the By-laws regarding share capital and number of shares, which shall read as follows:*

#### **ARTICLE 5. SHARE CAPITAL**

*The share capital is set at SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE EUROS (EUR 7,372,727,363) and is fully subscribed and paid up.*

#### **ARTICLE 6. THE SHARES**

*1. The share capital consists of SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE (7,372,727,363) shares with a par value of ONE EURO (EUR 1) each, which are recorded in book-entry form and belong to the same class and series. The shares representing the share capital are considered transferable securities and are governed by the provisions of the Securities Market Act and other applicable provisions.*

*2. The shares, their transfer and the creation of real rights or any other encumbrances on them must be registered in the relevant book entry, pursuant to the Securities Market Act and concordant provisions.*

*3. However, on the basis of the ownership of shares in banks, the Company shall keep its own register of shareholders with the effects and efficiency attributed to it by the prevailing regulations in each case. For this purpose, in the event that the formal status of the shareholder corresponds to persons or organisations which, in accordance with their own legislation, exercise such status by way of trust, fiduciary or any other equivalent title, the Company may require the aforementioned persons or organisations to inform it of the actual holders of such shares, including the addresses and means of contact available to them, as well as the acts of transfer and encumbrance relating thereto.*

*Agree to de-list the ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank shares being redeemed from trading on the Spanish stock exchanges and/or the markets on which the Company's shares are listed, and cancel the corresponding accounting records and effectively redeem treasury shares, once this resolution to reduce share capital has been implemented and formalised.*

*Once the capital reduction is fully effective, the amount of ONE BILLION, FOUR HUNDRED AND SEVENTY-FOUR MILLION, FIVE HUNDRED AND FORTY-FIVE THOUSAND, FOUR HUNDRED AND SEVENTY-TWO EUROS AND SIXTY CENTS (EUR 1,474,545,472.60), equal to 20% of the share capital resulting from the capital reduction, shall be considered a legal reserve. The surplus of 20% of the share capital of the legal reserve account, i.e. an amount of TWENTY-FIVE MILLION, EIGHT HUNDRED AND EIGHTY THOUSAND, EIGHT HUNDRED AND FIFTY-ONE EUROS AND TWENTY CENTS (EUR 25,880,851.20), will be reclassified to the voluntary reserves account and will therefore be considered an available reserve from that moment onwards.*

*To empower the Board of Directors, to the fullest extent as required by law, and with express powers to delegate to the Executive Committee, the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer, the Secretary and the Deputy Secretary or the First Deputy Secretary of the Board of Directors, in addition to the Chief Financial Officer and the Head of Accounting, Management Control and Capital, so that any of these, jointly and severally, may perform the actions required or appropriate for the execution and completion of this resolution, having the power to determine those points which have not been expressly set out in this resolution or which are the consequence of this resolution, including but not limited to:*

- (i) Undertake any actions, declarations or procedures that are necessary or appropriate in relation to the public information on the capital reduction and its execution (including any announcements that are required or appropriate), and any actions that should be carried out before the CNMV, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), the Spanish stock exchanges and/or the regulators and stock exchange management companies of the markets in which the Company's shares are listed.*
- (ii) Execute the corresponding deed for the reduction of share capital and, in general, to negotiate, agree and sign all such public and/or private documents as may be necessary or advisable to execute and bring the capital reduction to a successful conclusion, including, without limitation, such acts, legal transactions, contracts, declarations and operations as may be necessary.*
- (iii) Undertake all the procedures and actions that are necessary or appropriate, and present all required documents before the competent bodies, so that, once the redemption of the Company's shares has taken place and the corresponding capital reduction deed has been awarded and filed in the Companies' Registry, the redeemed shares may be de-listed from the Spanish stock exchanges and/or markets in which the Company's shares are traded, and cancelled in the corresponding accounting records and the redemption of its treasury shares will be effectively carried out.*
- (iv) Perform all tasks that may be required or advisable vis-à-vis any public or private bodies or organisations, whether Spanish or foreign, to obtain the consent and authorisations required to ensure the effectiveness of these*



*resolutions and complete and formalise the capital reduction, including to declare, provide complementary information or correct defects or omissions that may impair or impede the full effectiveness of the aforementioned resolution.*

*It is hereby stated that the Company received authorisation for the capital reduction and the consequent amendment of articles 5 and 6 of the By-laws, in relation to the share capital and number of shares, in accordance with the provisions of article 10 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.*

15 February 2024