



Criteria Caixa, S.A., Sociedad Unipersonal
(*incorporated as a public limited company*)
€3,000,000,000

Euro Medium Term Note Programme

This base prospectus (the **Base Prospectus**) has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores* the **CNMV**), as the competent authority for the purpose of Directive 2003/71/EC, as amended (the **Prospectus Directive**), as a base prospectus in accordance with the requirements provided under the European Union (**EU**) and Spanish law pursuant to the Prospectus Directive with regard to the issue by Criteria Caixa, S.A., Sociedad Unipersonal (the **Issuer, Criteria** or **CriteriaCaixa**), a public limited company (*sociedad anónima*), of notes (the **Notes**) under the Euro Medium Term Note Programme (the **Programme**) described in this Base Prospectus during the period of twelve months after the date hereof. An application will be made for the Notes to be admitted to trading on the Spanish AIAF Fixed Income Securities Market (**AIAF**) (and, if the case may be, other European securities markets which qualify as regulated markets for the purposes of Directive 2014/65/EU (**MiFID II**)). Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information applicable to each issue of Notes will be set out in a final terms document (the **Final Terms**) which will be filed with the CNMV. For the purpose of Article 14 of the Prospectus Directive, this Base Prospectus and any Final Terms issued under the Programme will be published on the website of the CNMV (www.cnmv.es) and on the Issuer's website (www.criteriacaixa.com).

This Base Prospectus is only addressed to, and directed at, persons who are qualified investors within the meaning of Article 2.1(e) of the Prospectus Directive. In addition, in the United Kingdom, this Base Prospectus may be distributed to, and directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**); (ii) high net worth companies, unincorporated associations and other bodies within the categories described in Article 49(2) of the Order; and (iii) persons to whom it may otherwise lawfully be communicated (all such persons together, **relevant persons**). Therefore, this Base Prospectus must not be acted on or relied upon (i) in any member state of the European Economic Area (**EEA**) other than the United Kingdom, by persons who are not qualified investors, and (ii) in the United Kingdom, by persons who are not qualified investors or relevant persons.

The Notes will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exception from, or in a transaction not subject to, the registration requirements of the Securities Act.

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory requirements. No Notes may be issued under the Programme with a denomination of less than €100,000 (or the equivalent amount in another currency).

The aggregate principal amount of Notes outstanding will not at any time exceed €3,000,000,000 (or the equivalent amount in other currencies) in accordance with the threshold authorised by CriteriaCaixa's Board of Directors' resolution passed on 15 March 2018 on the basis of the authorisation granted by a decision of the sole shareholder of the Issuer taken on 15 March 2018. In this regard, Criteria Caixa's Board of Directors approved on 15 March 2018 the establishment of the Programme for a maximum aggregate principal amount of €3,000,000,000 (or the equivalent in other currencies at the date of issue).

The Notes will be issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) and will be registered with the Spanish *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal (Iberclear)* as managing entity of the central registry of the Spanish clearance and settlement system (the **Spanish Central Registry**). Consequently, no global certificates will be issued in respect of the Notes. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within Iberclear's account-based system.

At the date of this Prospectus, the Issuer has been rated BBB (stable outlook) as long-term debt issuer and F2 (stable outlook) as short-term debt issuer by Fitch Ratings España, S.A.U. (**Fitch**) and Baa2 (stable outlook) as long-term debt issuer by Moody's Deutschland GmbH (**Moody's**). As of the date of this Base Prospectus, Fitch and Moody's are established in the EU and are registered under the Regulation (EC) No 1060/2009, as amended (the **CRA Regulation**). As such Fitch and Moody's are included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

MiFID II product governance / target market –Any person offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

For the purposes of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID II Product Governance Rules**), neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purposes of the MiFID II Product Governance Rules.

PRIIP/IMPORTANT- EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended,

the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

EU BENCHMARKS REGULATION - Amounts payable on Floating Rate Notes may be calculated by reference to the Euro Interbank Offered Rate (**EURIBOR**) or the London Interbank Offered Rate (**LIBOR**) or any other benchmark as specified in the relevant Final Terms. EURIBOR is provided by the European Money Markets Institutes (**MMI**), LIBOR by ICE Benchmark Administration Limited (**ICE**) and in case the amounts payable under Floating Rate Notes are calculated by reference to any other benchmark, such benchmark will be calculated by an administrator to be appointed by the Issuer for such purposes. As at the date of this Base Prospectus, ICE is authorized as a benchmark administrator, and included in, whereas MMI is not included in, the European Securities and Markets Authorities' register of administrators and benchmarks under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that MMI, ICE or any other benchmark administrator (as the case may be) are not currently required to obtain authorization/registration (or, if any other administrator which is not MMI or ICE is located outside the EU, recognition, endorsement or equivalence). The transitional provisions of Article 51 of the Benchmarks Regulation apply until 1 January 2020.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Arranger

Morgan Stanley

Dealers

<i>Banco Bilbao Vizcaya Argentaria</i>	<i>Barclays</i>	<i>BNP PARIBAS</i>	<i>BofA Merrill Lynch</i>
<i>CaixaBank</i>	<i>Citigroup</i>	<i>Crédit Agricole CIB</i>	<i>Deutsche Bank</i>
<i>Goldman Sachs International</i>	<i>HSBC</i>	<i>ING</i>	<i>J.P. Morgan</i>
<i>Mediobanca</i>	<i>Morgan Stanley</i>	<i>Natixis</i>	<i>Nomura</i>
<i>Santander</i>	<i>Société Générale Corporate & Investment Banking</i>	<i>UniCredüt</i>	

The date of this Base Prospectus is 10 May 2018.

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Directive.

This Base Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

Neither the delivery of this Base Prospectus or any Final Terms, nor the offering, sale or delivery of any Notes shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Base Prospectus must be read and construed together with any supplements hereto and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The only persons authorised to use this Base Prospectus in connection with an offer of Notes shall be Morgan Stanley & Co. International plc (the **Arranger**), Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Barclays Bank PLC, BNP Paribas, CaixaBank, S.A. (**CaixaBank**), Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A., Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, Nomura International plc, Société Générale, and UniCredit Bank AG, as well as any other Dealer appointed in accordance with the Dealer Agreement as a new Dealer in respect of the Programme (in which event a supplement to this Base Prospectus will be published) (together with the Arranger, the **Dealers**).

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. The Dealers do not accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or, if applicable, the Dealers.

If applicable, neither the Dealers nor any of their respective affiliates will authorise the whole or any part of this Base Prospectus and none of them will make any representation or warranty or accept any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus.

Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. In making an investment decision, investors must rely on their own examination and analysis of the Issuer and the terms of the Notes, including the merits and risks involved.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer and, if

applicable, the Dealers that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and should consider the suitability of the Notes as an investment in light of their own circumstances, investment objectives, tax position and financial condition.

The distribution of this Base Prospectus and any Final Terms, and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required to inform themselves about and to observe any such restrictions.

In particular, Notes have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom and other jurisdictions (see Section 8 *Subscription and Sale*).

The maximum aggregate principal amount of Notes outstanding at any time under the Programme will not exceed €3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes) in accordance with the threshold authorised by the Issuer's Board of Directors' resolution passed on 15 March 2018 on the basis of the authorisation granted by a decision of the sole shareholder of the Issuer taken on 15 March 2018.

In this Base Prospectus, unless otherwise specified, references to a **Member State** are references to a Member State of the European Economic Area and reference to **EUR, euro** or **€** are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in article 2 of Council Regulation (EC) No 947/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (a) Notes are securities suitable for investment by it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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1. OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer may agree that Notes may be issued in a form other than that contemplated in Section 5 of this Base Prospectus (*Terms and Conditions of the Notes*, the **Conditions**), in which event a supplement to this Base Prospectus will be published.

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004. Words and expressions defined in this Base Prospectus shall have the same meanings in this overview.

Issuer	Criteria Caixa, S.A., Sociedad Unipersonal
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "Risk Factors" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include certain risks relating to the structure of particular Series of Notes and certain market risks, amongst others.
Description	Euro Medium Term Note Programme (the Programme)
Arranger	Morgan Stanley & Co. International plc
Dealers	Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Barclays Bank PLC, BNP Paribas, CaixaBank, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A., Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, Nomura International plc Société Générale and UniCredit Bank AG, or any other Dealer appointed in accordance with the Dealer Agreement as a new Dealer in respect of the Programme, in which event a supplement to this Base Prospectus will be published.
Paying Agent	CaixaBank.
Final Terms	Notes issued under the Programme may be issued pursuant to this Base Prospectus and its associated Final Terms. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed to the extent described in the relevant Final Terms.
Size	The maximum aggregate principal amount of Notes outstanding at any time under the Programme will not exceed €3,000,000,000 (or the equivalent in other currencies at the date of issue) in accordance with the threshold authorised by the Issuer's Board of Directors' resolution passed on 15 March 2018 on the basis of the authorisation granted by a decision of the sole shareholder of the Issuer taken on 15 March 2018. In this regard, the Issuer's Board of Directors approved on 15 March 2018 the establishment of the Programme for a maximum aggregate principal amount of €3,000,000,000 (or the equivalent in other currencies at the date of issue).
Issuance in Series:	Notes issued under the Programme are issued in series (each a Series) and each Series may comprise one or more tranches (each a Tranche) of Notes. Each Tranche is the subject of Final Terms (the Final Terms) which complete the Terms and Conditions.
Currency/ies	Euro or any other specified currency subject to any applicable legal or regulatory restrictions, as may be agreed between the Issuer and the relevant Dealer(s).
Maturities	Any maturity excluding Notes with a perpetual maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Specified Denomination	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

	Notes may not have a minimum denomination of less than €100,000 (or its equivalent in other specified currencies at the date of issue).
Method of Issue	The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes may be issued in Tranches on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Notes may be issued as part of an existing Series.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "Subscription and Sale".
Form of Notes	The Notes will be issued in uncertificated, dematerialised book-entry form (<i>anotaciones en cuenta</i>).
Registration, clearing and settlement	The Notes will be registered with the Spanish <i>Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal (Iberclear)</i> as managing entity of the central registry of the Spanish clearance and settlement system (the Spanish Central Registry) with its corresponding address at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank SA/NV (Euroclear) and Clearstream Banking, S.A., Luxembourg (Clearstream Luxembourg) with Iberclear.
Title and transfer	<p>Title to the Notes will be evidenced by book-entries and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participants (<i>entidades participantes</i>) in Iberclear (the Iberclear Members) as being the holder of the Notes shall be considered the holder of the principal amount of the Notes recorded therein. The Holder of a Note means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and Noteholder shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Notes.</p> <p>The Notes are issued without any restrictions on their free transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and / or Iberclear itself, as applicable. Each Holder will be treated as the legitimate owner (<i>titular legítimo</i>) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.</p>
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount, as specified in the Final Terms.
Interest	Notes may be interest-bearing. Interest may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes	Interest on Fixed Rate Notes will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series by reference to EURIBOR, LIBOR or any other benchmark as adjusted for any applicable margin as specified in the applicable Final Terms.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Listing and admission to trading	Unless another European securities market is stated in the applicable Final Terms, the Issuer undertakes to make or cause to be made an application on its behalf for the Notes to be admitted to listing and admitted to trading on AIAF within 30 days after the Issue Date.
Negative pledge	<p>So long as any Notes remain outstanding, the Issuer will not create any mortgage, charge, lien, pledge or other security interest (each a Security Interest) (other than any Permitted Security Interest), upon the whole or any part of its respective undertaking, assets, property or revenues (including uncalled capital), present or future, to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto granting to the Notes (i) the same security as is created to secure any such Relevant Indebtedness, guarantee or indemnity, or (ii) such other security as shall be approved by the Syndicate of Noteholders.</p> <p>See Condition 4 (<i>Negative Pledge</i>) for further information.</p>
Status of the notes	The Notes constitute (subject to the provisions of Condition 4 (Negative Pledge)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all time rank <i>pari passu</i> and without any preference among themselves except for any applicable legal and statutory exceptions. Upon insolvency of the Issuer, the obligations of the Issuer under the Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of Act 22/2003 (<i>Ley Concursal</i>) dated 9 July 2003 (the Insolvency Act) or equivalent legal provisions which replace it in the future).
Payments	Payments in respect of the Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET2 System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Business Day on which the payment of principal or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer or the Paying Agent or, if applicable, the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Notes.
Redemption and purchase	
<i>Redemption at maturity</i>	Unless previously redeemed or purchased and cancelled, the Notes shall be redeemed in euro, or any other specified currency, at their Redemption Amount on the Maturity Date. In any case, Notes shall not be redeemed below par.
<i>Redemption for tax reasons</i>	The Notes may be redeemed at the option of the Issuer in whole, but not in part, if on the occasion of a payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (<i>Taxation</i>), in each case as a result of any change in, or amendment to, the laws or regulations of Spain or any political subdivision or any authority or agency thereof or therein, as defined in Condition 8 (<i>Taxation</i>), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Agreement Date (as defined below) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. See Condition 7.2 (<i>Redemption and Purchase - Redemption for tax reasons</i>) for further information.

Optional Redemption

Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.

Taxation

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax unless such withholding or deduction is required by law.

However, in the event such withholding or deduction is required by law, the Issuer will, subject to certain limited circumstances (please refer to Condition 8 (*Taxation*)), pay such additional amounts as will result in receipt by the Holders or Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

Rating

The Issuer has been rated BBB (stable outlook) as long-term debt issuer and as F2 (stable outlook) as short-term debt issuer by Fitch and Baa2 (stable outlook) as long-term debt issuer by Moody's. As of the date of this Base Prospectus, Fitch and Moody's are established in the EU and are registered under the Regulation (EC) No 1060/2009, as amended (the **CRA Regulation**). As such Fitch and Moody's are included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, its credit rating may not necessarily be the same as the credit rating applicable to the Issuer. The rating of certain Series of Notes to be issued under the Programme will be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit ratings agency established in the EU and registered under the CRA Regulation will be disclosed in the Final Terms.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Prescription

Claims in respect of the principal amount or interest on Notes will become void unless made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date, as defined in Condition 5 (Interest).

Claims in respect of any other amounts payable in respect of the Notes will become void unless made within ten years following the due date for payment thereof.

Events of default

Pursuant to Condition 10 (*Events of Default*) if any one or more of the following events (each an **Event of Default**), as described in the aforementioned Condition, has occurred and is continuing:

- (i) Non-payment.
- (ii) Breach of other obligations.
- (iii) Cross-default of Issuer or Relevant Subsidiary.
- (iv) Winding up.
- (v) Enforcement and Insolvency proceedings.
- (vi) Unsatisfied judgment
- (vii) Security enforced.
- (viii) Arrangements with creditors.
- (ix) Failure to take action etc.
- (x) Unlawfulness.

Then (i) the Commissioner may, acting upon a resolution of the Syndicate of Noteholders, in respect of all the Notes, or (ii) unless there has been a resolution to the contrary by the Syndicate of Noteholders (which resolution shall be binding on all Noteholders), any Noteholder in respect of the Notes held by such Noteholder, declare such Notes immediately due and payable whereupon the Notes shall, when permitted by applicable Spanish law,

	<p>become immediately due and payable at their principal amount, together with accrued interest, without further formality.</p> <p>When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: materially weaker shall mean that the Issuer's two credit rating agencies modify at least by three lower notches the ratings previously applied to the Issuer. Should the Issuer be rated by three or more credit rating agencies, materially weaker shall mean that at least three of these credit rating agencies modify by three lower notches the rating previously applied to the Issuer. For further information regarding the events of default see Condition 10 (<i>Events of Default</i>).</p>
Syndicate of Noteholders and modification	<p>The Noteholders shall meet in accordance with the regulations governing the Syndicate of Noteholders (the Regulations). The Regulations shall contain the rules governing the functioning of the Syndicate and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 18.</p>
Notices	<p>Notices to the Noteholders will be published in the official bulletin of AIAF (<i>Boletín Diario de AIAF Mercado de Renta Fija</i>) and, where applicable, through the filing by the Issuer of a price-sensitive information notice (<i>comunicación de hecho relevante</i>) with the CNMV. If the Notes are also listed in other European regulated market, notices to Noteholders will also be published in accordance with the requirements of such market. Any such notice will be deemed to have been given on the date of the first publication. In addition, all notices to Noteholders shall also be made through Iberclear to their respective accountholders.</p>
Further issues	<p>The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions in all respects as the outstanding Notes or the same in all respects except for the date of the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding Notes.</p>
Substitution of the Issuer by a Subsidiary	<p>The Issuer may, without the further consent of the Noteholders, be replaced and substituted by a wholly owned Subsidiary (either directly or indirectly) of the Issuer as the principal debtor in respect of the Notes (for the purpose of Condition 15; the Substitute Debtor), provided that the requirements listed in Condition 15 are met.</p>
Governing law and submission to jurisdiction	
<i>Governing law</i>	<p>The Notes and any non-contractual obligations arising out of or in connection with them are, subject as provided below, governed by, and shall be construed in accordance with, English law. Title to the Notes and transfer of the Notes as described in Condition 1.3 (<i>Title and transfer</i>), the status of the Notes as described in Condition 3 (<i>Listing, Admission to Trading and Status of the Notes</i>), the provisions of Condition 12 (<i>Syndicate of Noteholders and Modification</i>) relating to the appointment of the Commissioner, the Regulations of the Syndicate of Noteholders (a set of which is included in Condition 18 (<i>Regulations of the Syndicate of Noteholders</i>)) once incorporated in the relevant Final Terms and the Agency Agreement, are governed by, and shall be construed in accordance with, Spanish law.</p>
<i>Submission to jurisdiction</i>	<p>The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection the Notes may be brought in such courts.</p>

2. RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under any of the Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may be jeopardised by other causes which may not be considered significant risks by the Issuer based on information currently available or which the Issuer may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Consequently, the risks and uncertainties discussed below are those that the Issuer views as material, but these risks and uncertainties are not the only ones faced by it. Additional risks and uncertainties, including risks that are not known to the Issuer at present or that the Issuer currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Notes and a loss of part or all of the investment made by any Noteholder.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

In particular, potential Noteholders (as defined herein) are alerted to the statements under "Taxation" regarding the tax treatment in the Kingdom of Spain of income in respect of Notes. Noteholders must seek their own advice to ensure that they comply with all applicable procedures and to ensure the correct tax treatment of their Notes.

RISK FACTORS RELATING TO THE ISSUER

The risk factors that might affect the profitability of CriteriaCaixa's activities, its financial solvency and its corporate reputation as a result of its holdings in group companies, associates and equity investments, are detailed below.

A) Impairment of equity portfolio

For Criteria, impairment of equity stakes is the main risk in its business model, which is natural in a company whose corporate purpose is to hold stakes. This impairment risk derives from Criteria's business activities suffering losses or a decline in earnings caused by adverse movements in market prices or investee insolvency made through equity instruments.

Criteria's investment area monitors these stakes on an ongoing case-by-case basis to be able, at any time, to take the most appropriate decisions on the basis of the market performance observed and predicted and of the Group's strategy. Also, the values are subject to continuous monitoring, in order to assess whether there is any objective evidence of impairment.

As of 31 December 2017, the net book value of investments in associates and equity instruments amounted to €19,126 million with the following breakdown: (i) Investments in associates' amounted to €18,158 million; and (ii) Equity instruments' amounted to €968 million in CriteriaCaixa's consolidated financial statements (investments in associates and equity instruments represent 76% of its total assets (Criteria's consolidated total assets as of 31 December 2017 amounted to €25,324 million)).

B) Market risk could significantly affect the value of CriteriaCaixa

This refers to the risk that the value of a financial instrument (including instruments such as the Notes) may fluctuate as a result of changes in the price of shares of the investment portfolio of the Group, interest rates or foreign exchange rates. These possibilities could lead to, among other things, decreases in equity and losses arising due to changes in market prices and/or for the losses on the positions composing the investment portfolio, rather than the trading portfolio, at medium to long term.

CriteriaCaixa has set limits for trading derivative transactions, approved by CriteriaCaixa's Board of Directors based on the Value at Risk (**VaR**), to limit potential losses arising from this activity.

Price risk

As of 31 December 2017, 99% of the market value of the Issuer's investments in equity instruments related to listed securities. As a result, the Issuer is exposed to the market risk generally associated with listed companies. The listed securities are exposed to fluctuations in price and trading volume due to factors beyond the Issuer's control.

Foreign currency risk

CriteriaCaixa is exposed to currency risk through its investments denominated in currencies other than the euro, which are exposed to exchange rate fluctuations.

CriteriaCaixa's activities, including those of its investments, are located in Spain, the rest of Europe, Asia, Central and South America. As of 31 December 2017, CriteriaCaixa's consolidated revenues obtained in countries different from Spain amounted to €383 million (29.4% of total revenues), of which €305 million are from outside the EU.

The Group may also be indirectly exposed to foreign currency risk through the foreign currency investments made by investees due, in certain cases, to the major international presence of these companies. These risks are assessed and, if applicable, covered by the investee itself.

As of 31 December 2017, the majority of the assets and liabilities recognised in CriteriaCaixa's balance sheet are in euros. The main assets of the balance sheet subject to exchange rate fluctuations are the following CriteriaCaixa's direct investments denominated in foreign currency: the shares of Grupo Financiero Inbursa, S.A.B. de C.V. (**Inbursa**) in Mexican pesos (MXN) and the shares of The Bank of East Asia Ltd (**BEA**) in Hong Kong dollars (HKD), which had a consolidated book value of €805 million and €2,339 million respectively at the euro exchange rate as of 31 December 2017.

The management of the Issuer regularly assesses the advisability of arranging hedges in respect of its exchange risks.

Interest rate risk

This relates mainly to changes in borrowing costs on debt with floating-rate interest payments and therefore relates, primarily, to CriteriaCaixa's financial indebtedness. Interest rates are highly sensitive to many factors beyond the Group's control, including fiscal and monetary policies of governments and central banks and regulation of the financial sectors in the markets in which it operates, as well as domestic and international economic and political conditions and other factors. Therefore, the risk lies basically in CriteriaCaixa's indebtedness.

The market interest rate affects financial profit since certain financial liabilities are arranged at a floating rate (tied to EURIBOR). The effects of a future change in EURIBOR based on the instruments quoted at 31 December 2017 would have the following effect in the Issuer's profit/(loss) before tax statement:

	Millions of Euros
	Effects on profit/(loss) before tax
-50 bp	(13)
+50 bp	7
+ 100 bp	2

CriteriaCaixa regularly monitors the impact of interest rate fluctuations.

In order to mitigate the risk of fluctuations in interest rates on floating rate borrowings, CriteriaCaixa's management evaluates whether or not to arrange swaps (cash flow hedges) depending on current and forecasted interest rates. In that regard, CriteriaCaixa has entered into certain floating-to-fixed interest rate swaps and as of 31 December 2017, 77% of the Group's debt has a fixed or hedged interest rate.

C) *A price decline of the real estate assets may adversely affect the Group*

The Group is exposed to market fluctuations in the price of real estate as it owns a real estate portfolio with a net book value of €2,813 million as of 31 December 2017. Therefore, declining property prices could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Additionally, the price at which an asset is valued may not be obtained in the event of sale. The portfolio of real estate assets is recognised at its net booking value in the balance sheet taking into account the fair value of such assets. To ensure that the portfolio of real estate assets is recognised at its fair value in the balance sheet, the Group uses internal models to determine the adjustments to the main valuation given by full individual appraisals or to appraisals carried out periodically by independent experts. In particular, the internal valuation model is based on, among others, the Group's sales experience for each type of asset or the estimated sales costs to dispose the asset. A mis-estimation of the assets' value or a lack of liquidity in the relevant market may affect CriteriaCaixa's future results and profitability.

Real estate assets are managed in order to recover the capital invested and to obtain an additional profitability, either by way of renting, property development or a general plan to sell.

D) Risks relating to the Issuer's indebtedness

As of 31 December 2017, the Issuer's group's non-current and current financial liabilities amounted to €6,983 million. Although the Issuer's group Loan to Value (**LTV**) for 2017 was 23.7% (having decreased from 31.7% in 2016) (please see *Alternative Performance Measures* of Section 10 (*Additional Information*) for an explanation, reconciliation and breakdown of these figures), a significant reduction of the sources of the Issuer's income for the service of its indebtedness and its inability to find suitable refinancing opportunities might eventually imply that the Issuer could not comply with its obligations under such indebtedness as they become due and could ultimately be declared insolvent.

E) Liquidity risk

Liquidity risk relates to the possibility of a company not being able to meet its payment obligations because it cannot sell a financial instrument sufficiently quickly without incurring significant additional costs or needing additional finance. As these investments are generally listed on deep, active markets, there are a lot of instruments that allows to monetize them quickly.

The lack of liquidity of some investments may adversely affect CriteriaCaixa.

CriteriaCaixa's investment strategy may lead it to hold significant interests in companies whose liquidity may be lower than other companies with a smaller interest, independently of the chosen divestment procedure.

The sale of a significant interest in a listed company to a single purchaser could require that the purchaser makes a bid for the entire share capital of the company concerned. Such purchaser may also, depending on the industry and the transaction, be required to obtain (industry or competition-related) administrative consents or authorisations. As of 31 December 2017, 87% of the Issuer's Gross Asset Value (GAV) corresponds to listed companies. These factors could increase the financial indebtedness for the purchaser in raising sufficient funds, and the time required to complete the transaction, or even prevent the sale (if the necessary authorisations are not obtained), which could limit the number of potential purchasers and adversely affect the liquidity of the investments currently held by CriteriaCaixa.

Placing a significant interest in a listed company in the market with several different purchasers could require a discount in the selling price, depending on market conditions and the characteristics of the security concerned, among other factors.

Some of CriteriaCaixa's current or future investments, especially investments in unlisted entities, are and could be subject to significant exit barriers. CriteriaCaixa could be forced to hold its interest in these investees for a substantial period before being able to sell them, or only be able to sell them to non-shareholders under the provisions of the articles of association or shareholder agreements, for instance.

Lastly, the shareholder agreements CriteriaCaixa has entered into and those that it may enter into in the future to channel some of its investments in listed companies through companies in which it invests with other partners could also, to differing degrees, limit CriteriaCaixa's ability to make certain divestments.

The existence of high exit barriers could result in CriteriaCaixa retaining the holding of certain investments even when market conditions for sale are optimal, or prevent the sale of investments that are not yielding the expected returns or results.

CriteriaCaixa monitors liquidity risk by consistently monitoring management indicators: debt ratio (net debt over the market value of the assets), liquidity available at certain terms, and interest coverage ratio.

Practically all the Group's financing matures in the long term. In this regard, the Group continues its efforts to diversify funding sources and manage the repayment terms of its debt and cost thereof.

F) Concentration risk

CriteriaCaixa has a relatively concentrated equity portfolio, due to: (i) industry concentration; (ii) concentration in certain investments; and (iii) concentration in a particular geographical market.

Based on the current composition of the Issuer's assets, mainly concentrated in the Spanish financial, energy and infrastructure sectors, the Issuer will be subject to economic, political or other conditions that may have a negative effect on these sectors and could negatively impact the Issuer to a greater extent than if its assets were invested in a wider variety of sectors or industries.

As of 31 December 2017, more than 72% of the Issuer's total GAV corresponds to the Issuer's three main equity investments (38.7% corresponds to the Issuer's investment in CaixaBank, 19.6% to the Issuer's investment in Gas Natural SDG, S.A. (**Gas Natural**) and 14.1% to the Issuer's investment in Abertis Infraestructuras, S.A. (**Abertis**)).

Please see section 4.3 (*Business Overview*) for further information in relation to the principal industries, investees and markets.

G) Exposure to financial counterparty risk

The Issuer is exposed to financial institution counterparty risk and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations.

The Issuer usually deposits cash surplus in highly liquid financial products, offered or deposited in solvent financial entities, or in financial entities with respect to which it holds a net payable position. CriteriaCaixa's cash and equivalents as of 31 December 2017 was €893 million.

H) Risks arising from the purchase and sale of equity investments

Although CriteriaCaixa carefully analyses the available information before making an investment decision and tries to obtain the usual contractual protections against the risks of each investment, it cannot give any assurance that the available information will reveal all of the risks associated with the investment or that it will be possible to make a proper valuation or obtain appropriate contractual protection against said risks, especially in the case of investments in unlisted securities. Due diligence cannot guarantee the success of transactions that depend on a variety of factors, many of which are beyond CriteriaCaixa's control.

Furthermore, the acquisition of significant shareholdings in listed or unlisted companies may require administrative consents or authorisations that may not be obtained or may be obtained only under conditions that prevent the acquisition or make it unattractive.

CriteriaCaixa may be obliged to give representations and warranties in favour of third parties in relation to the sale of some of its equity investments. If such representations and warranties were found to be incorrect, the buyer of the assets could commence legal proceedings against CriteriaCaixa.

I) Risk associated with financial reporting reliability

The Issuer's management uses an internal control over financial report model to monitor if the practices and processes in place at the Group ensure the reliability of the Issuer's financial information and the Issuer's compliance with applicable regulation. The model is based on the international standards developed by the Committee of Sponsoring Organizations of the Treadway Commission, as well as a number of general principles and best practices recommended by the Spanish Securities Market

Regulator in the Guidelines on Internal Control over Financial Reporting in Listed Companies published in June 2010.

However, such internal control over financial report model may not be able to ensure the reliability and quality of the Issuer's financial information.

J) Strategic risk

CriteriaCaixa's ability to implement its strategy will depend on factors such as the correct identification of investment and divestment opportunities or its ability to exercise influence over investees.

Future profits and attractive returns will be conditional upon correct implementation of CriteriaCaixa's future strategy, which will depend to a large extent on the skill of its managers in identifying investment opportunities. Therefore, changes in strategy could affect the value of CriteriaCaixa.

The fact that CriteriaCaixa has an equity interest or board representation in certain investees may prevent it from seizing investment opportunities that may arise in companies in the same industry or that are related parties. The impediments to investment may be triggered, among other factors, by the applicable competition legislation or by any relations with current or potential partners that limit the investment in other entities.

CriteriaCaixa's strategy is based on the intended exercise of influence over investees through board representation. However, as most of the value of CriteriaCaixa's portfolio consists of interests in listed companies, the acquisition of significant shareholdings in these companies by third parties (including any takeover offer made by such third party to acquire the shares of CriteriaCaixa's investees) or the issuance of ordinary shares by these companies (where CriteriaCaixa's interest is diluted) could result in a loss or decrease in CriteriaCaixa's ability to exercise such influence or in the need to make further investments to maintain said ability, prevent CriteriaCaixa from receiving a premium for its shares as part of a sale of such investees or affect the liquidity of the shares of such investees.

Furthermore, CriteriaCaixa may acquire minority interests in listed or unlisted companies or invest in operations led by other investors. These acquisitions or investments could be significant and could entail greater risks as a result of CriteriaCaixa's relative lack of influence. CriteriaCaixa may also have less management information about these investments, which would limit its ability to influence the investees' business decisions.

Identifying and implementing investment strategies or a change of strategy entails risks, including those detailed in the aforementioned paragraphs and in the rest of this section, which could adversely affect CriteriaCaixa's future results and profitability.

K) Risks arising from the business sectors of investees

CriteriaCaixa is indirectly subject to the risks associated with the business sectors in which its investees operate. The degree of exposure will depend on the relative weight of the relevant investee in CriteriaCaixa's total investments and results. These risks include the risks arising from CriteriaCaixa investments in companies that operate in highly regulated industries, as well as the operational risks faced by investees. In particular, changes in the regulatory framework affecting CriteriaCaixa's investees could have an adverse effect in these investees and, in turn, on CriteriaCaixa.

Risks associated with the activity of its financial investees

CriteriaCaixa is indirectly subject to the risks associated with the financial sector, as it holds stakes of 40%, 9.10% and 17.44% in CaixaBank, Inbursa and BEA respectively, which as of 31 December 2017 represent a net book value of €12,754 million (50% of the Group's total assets). The consolidated net income attributable to the investment made in these three companies represent €972 million in 2017.

Credit risk is the most significant risk item on the balance sheet of CriteriaCaixa's financial investees and arises from the banking and insurance business, treasury operations and the equity portfolio. The Group is exposed to the creditworthiness of its financial investees' customers and counterparties. Likewise, defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally could lead to losses in defaults by CriteriaCaixa (the so called reputational risk).

On the other hand, the financial activity of credit institutions involves assuming market risk, which includes exposures to various sources: banking book risk arising from interest rate and exchange rate fluctuations, the risk caused by taking up treasury positions or the risk associated with equity investments which are part of the CriteriaCaixa's financial investees' diversification business. As a result of adverse fluctuations in market rates prices, the profitability in value of CriteriaCaixa's portfolio in financial investees could be adversely affected.

CriteriaCaixa's financial investees are also subject to interest rate risk in their banking book which depends upon the level of its net interest income, which is the difference between interest income from loans and other interest-earning assets and interest expense paid to its depositors and other creditors on interest-bearing liabilities. Interest rates are highly sensitive to many factors beyond the control of CriteriaCaixa's financial investees, including fiscal and monetary policies of governments and central banks and regulation of the financial sectors in the markets in which they operate, as well as domestic and international economic and political conditions and other factors.

CriteriaCaixa's financial investees are subject to liquidity risk. The main source of liquidity of CriteriaCaixa's financial investees is their customer deposit base, as well as on-going access to wholesale lending markets, including senior unsecured and subordinated bonds, interbank deposits, mortgage and public sector covered bonds and short-term commercial paper. Although CriteriaCaixa's financial investees place significant emphasis on liquidity risk management and focus on maintaining a buffer in liquid assets, they are exposed to the general risk of liquidity shortfalls (such as if depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans or in the event of a sudden or unexpected shortage of funds in the banking systems or money markets in which CriteriaCaixa's financial investees operate or a loss of confidence) and cannot ensure that the procedures in place to manage such risks will be adequate to mitigate liquidity risk.

As CriteriaCaixa's financial investees are involved in the insurance business, they are also subject to the actuarial and insurance business risk which is the risk of increase in the value of commitments assumed through insurance contracts with customers and employee pension plans due to the differences between the claims estimates and actual performances which are out of the control of CriteriaCaixa's financial investees.

Finally, the financial services industry is among the most highly regulated industries in the world. In response to the global financial crisis, governments, regulatory and supervisory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. CriteriaCaixa's financial investees' operations are subject to on-going regulation and associated regulatory risks, including the effects of changes in laws, regulations, policies and interpretations, in Spain, the EU and the other markets where they operate. Therefore, CriteriaCaixa's financial investees may suffer a loss or decrease in profitability as a result of changes to the regulatory framework or court rulings that are unfavourable to them.

Risks associated with the activity of its non-financial investees

Some of Criteria's non-financial investees (such as Gas Natural) operate in highly regulated industries. They are thus subject to several laws and regulations concerning prices and other aspects of their activities in each of the countries where they operate. The introduction of new laws and regulations or amendments to the already existing laws and regulations imposing on them e.g. additional obligations, restrictions on the price that they may charge for their products or restrictions on their activities generally may have an adverse effect on their operations and results (which, in turn, could lead to an adverse effect on Criteria's operations and results).

As of 31 December 2017, 39% of the Issuer's GAV corresponds to non-financial investments.

L) Risks arising from unfavourable global economic conditions

Global economic conditions deteriorated significantly between 2008 and 2012 and Spain fell into a recession from which it is still recovering.

From 2014 the Spanish economy has had a good performance and in the last four years the current account imbalances have been positive: Spain has experienced GDP growths of 1.4 per cent. in 2014, 3.4 per cent. in 2015, 3.3 per cent. in 2016 and 3.1 per cent. in 2017 (*Source: National Statistics Institute*

of Spain, Press Notes 12 September 2017 and 1 March 2018), in Europe there has been a significant reduction in risk premiums since the second half of 2012 and economic growth for the Eurozone as a whole has been positive since the second quarter of 2013, growing by 1.7 per cent. in 2016 and 2.5 per cent. in 2017 (*Source*: Eurostat, News Release 37/2018, GDP and main aggregates estimate for the

fourth quarter of 2016, 7 March 2017 and the News Release 27/2018 Flash estimate for the fourth quarter of 2017).

Notwithstanding the above, the possibility of future deterioration of the European economy as a whole or of the individual countries, remains a risk and any such deterioration could adversely affect the cost and availability of funding for Spanish and European companies, including the Issuer and its Group.

Furthermore, other factors or events may affect the Spanish, European and global economic conditions, such as political instability in Spain which could, if unchecked, start to weigh on business confidence and investment, and could weaken Spain's current good growth prospects, the exit of countries from the Eurozone, a sharp slowdown in China, a negative market reaction to (stronger than expected) interest rate increases by the United States Federal Reserve, heightened geopolitical tensions, war, acts of terrorism, natural disasters or other similar events outside the Group's control.

M) Risks arising from changes in the stability of the Euro as a consequence of the UK referendum on membership of the EU could significantly impact the Group's financial results

On 23 June 2016, the United Kingdom (**UK**) held a non-binding referendum (the **UK EU Referendum**) on its membership in the EU, in which a majority voted for the UK to leave the EU. Immediately following the result, the UK and global stock and foreign exchange markets commenced a period of significant volatility, including a steep depreciation of the pound sterling, in addition to which there is now prevailing uncertainty relating to the process, timing and negotiation of the UK's exit from, and future relationship with, the EU.

On 29 March 2017, the UK government delivered the official notice of its intention to withdraw from the EU to the European Council president under article 50 of the Treaty of the European Union. As from that moment, a two-year period of negotiation has begun to determine the new terms of the UK's relationship with the EU, after which period its EU membership will cease. These negotiations are expected to run in parallel to standalone bilateral negotiations with the numerous individual countries and multilateral counterparties with which the UK currently has trading arrangements by virtue of its membership of the EU. The timing of, and process for, such negotiations and the resulting terms of the UK's future economic, trading and legal relationships are uncertain.

Following the results of the UK EU Referendum, the risk of further instability in the Eurozone cannot be excluded. As a consequence of the increase in the political influence of Eurosceptic political parties, or the perception that EU countries could apply policies of these political parties, there are concerns regarding the short- and long-term stability of the Euro and its ability to serve as a single currency for a number of individual countries. These concerns could lead individual countries to revert, or threaten to revert, to local currencies, or, in more extreme circumstances, to exit from the EU, and the Eurozone may be dissolved entirely. Should this occur, the assets the Group may hold in a country that reintroduces local currency could be subject to significant changes in value from when expressed in Euro. Furthermore, the full or partial dissolution of the Euro, the exit of one or more EU member states from the EU or the full dissolution of the EU could cause significant volatility and disruption to the global economy, which could impact the Group or its investees' financial results, including their ability to access capital at acceptable financing costs.

RISK FACTORS RELATING TO THE NOTES

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments under the Notes is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Market risks

The credit risk associated with the Notes may be affected by deterioration in the financial position of the Issuer, the Issuer's investees or the Kingdom of Spain

Should the Issuer's financial position deteriorate, the credit risk associated with the Notes would rise as the risk related to the Issuer's inability to fulfil its obligations under the Notes would increase. The Issuer's financial position is affected by a number of different risks, some of which have been outlined in the risk factors above. An increased credit risk could result in the market pricing the Notes with a higher risk premium, which could adversely affect the value of the Notes. Another aspect of the credit risk is that the deterioration in the Issuer's financial position could result in a reduction of its credit worthiness that could affect the Issuer's ability to refinance the Notes and other existing debt that could in turn adversely affect the Issuer's financial position and results of operations.

Any downgrade in the Issuer's ratings could increase its borrowing costs and could limit its access to capital markets and adversely affect the Issuer's activities. This, in turn, could reduce the Issuer's liquidity and have a material adverse effect on its business, financial condition and results of operations. In addition, as the Issuer is a Spanish company and it has Spanish investees, the Issuer's rating is affected by the sovereign rating of the Kingdom of Spain. Any downgrades of the Kingdom of Spain may increase the risk of a downgrade of the Issuer's credit ratings by the rating agencies.

An active secondary market in respect of the Notes may never develop

Pursuant to the Terms and Conditions, the Issuer shall apply for registration of the Notes on Iberclear as the managing entity of the Spanish Central Registry and for admission to listing and trading on AIAF (and, if the case may be, the Issuer shall also apply for admission to listing and trading of the Notes on other European securities markets). However, there can be no assurance that the Notes will be approved for admission to trading. A failure to obtain such listing may have a negative impact on the market value of the Notes. If admission to listing on AIAF (and, if the case may be, on other European regulated markets) is obtained, there can be no assurance that an active secondary market on the Notes will develop following such admission. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

If the Notes are not denominated in the investor's home currency, the investor will be exposed to movements in exchange rates that could adversely affect the value of his holding

The Issuer will pay principal and interest on the Notes in the specified currency of the issue. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the specified currency of the issue of the related Notes. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency of the issue or revaluation of the Investor's Currency). An appreciation in the value of the Investor's Currency relative to the specified currency of the issue would decrease (i) the Investor's Currency-equivalent yield on the

Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Secondary market liquidity and price fluctuation

The liquidity and trading price of the Notes may vary substantially as a result of numerous factors, including general market movements, irrespective of the Issuer's operating and financial performance. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

No investor should purchase Notes unless such investor understands and is able to bear the risk that certain Notes may not be readily tradable, that the value of Notes will fluctuate over time and that such fluctuations may be significant.

Additionally, the prices at which Zero Coupon Notes, as well as other instruments issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do such prices for conventional interest-bearing securities of comparable maturities.

Credit ratings assigned to any of the Notes may not reflect all of the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, the market, the additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restrictions will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

General risks applicable to the Notes

Risks related to the structure of a particular Tranche of Notes

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate comparable to the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Additionally, the Issuer may redeem the Notes for the tax reasons specified in Condition 7.2 (*Redemption and Purchase - Redemption for tax reasons*) of the Terms and Conditions, and this is likely to limit their market value. During any period where the Issuer may elect to redeem the Notes for tax reasons, the market value of those Notes is generally unlikely to rise substantially above the price at which they can be redeemed. However, Noteholders may elect not to redeem the Notes pursuant to

Condition 7.2 (*Redemption and Purchase - Redemption for tax reasons*) of the Terms and Conditions. If the Issuer elects not to redeem the Notes for tax reasons, no prejudice will arise for Noteholders as they will be entitled to receive additional amounts (as provided in Condition 8).

The value of the Fixed Rate Notes may be adversely affected by movements in market interest rates

The value of the Fixed Rate Notes is dependent on several factors, one of the most significant over time being the level of market interest rates. Investment in Fixed Rate Notes involves a risk that the market value of the Fixed Rate Notes could be adversely affected by changes in market interest rates.

Floating Rate Notes

Investments in Notes that bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such rate. Typically, the relevant margin will not change throughout the life of the Notes but there could be a periodic adjustment (as specified in the applicable Final Terms) of the reference rate (e.g. every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of such Notes upon the next periodic adjustment of the relevant reference rate.

Risks related to Notes which are linked to "benchmarks"

The London Interbank Offered Rate (**LIBOR**), the Euro Interbank Offered Rate (**EURIBOR**) and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. In particular, due to a steady decline in interbank activity and as banks increasingly rely on broader wholesale funding from a range of transactions with different counterparties in different markets, MMI is seeking to reform the current EURIBOR benchmark evolving its quoted-based methodology to adapt it to the evolving market circumstances.

These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes (including the value and/or liquidity thereof and/or the return thereon) linked to such a "benchmark".

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29 June 2016 and has been in force since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). However, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that administrators are not currently required to obtain authorization/registration (or, if they are located outside the EU, recognition, endorsement or equivalence). Such transitional provisions of Article 51 of the Benchmarks Regulation apply until 1 January 2020.

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a "benchmark".

On 27 July 2017, the Chief Executive of the UK Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR after 2021 (the **FCA Announcement**). The FCA Announcement indicates that the continuation

of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions of outstanding Notes of any Series, which may require a General Meeting of the Noteholders of such Series or another form of Collective Decision (as detailed in Condition 13(e) below), or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes, which refer to LIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the LIBOR benchmark is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Claims of Holders under the Notes are effectively junior to those of certain other creditors

The Notes are unsecured and unsubordinated obligations of the Issuer. Upon the insolvency of the Issuer, subject to statutory preferences and provided they do not qualify as subordinated claims pursuant to article 92 of the Spanish Insolvency Act (*Ley Concursal*), the Notes will rank equally with any of the Issuer's other unsecured and unsubordinated indebtedness. However, the Notes will be effectively subordinated to all of the Issuer's secured indebtedness, if any, to the extent of the value of the assets securing such indebtedness, and other preferential obligations under Spanish law.

Syndicate of Noteholders' meetings

The Terms and Conditions include certain provisions regarding Noteholders' meetings, which may be held in order to resolve matters relating to the Noteholders' interests. Such provisions allow for designated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting or who have not voted in accordance with the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' meeting.

Clearing and settlement

The Notes will be registered with Iberclear. Consequently, no global certificates have been or will be issued in respect of the Notes. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within Iberclear's account-based system. The investors are therefore dependent on the functionality of Iberclear's account-based system.

Title to the Notes will be evidenced by book-entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities in Iberclear (the **Iberclear Members**) as being the holder of the Notes shall be considered the holder of the principal amount of the Notes recorded therein.

The Issuer will discharge its payment obligation under the Notes by making payments through Iberclear. Noteholders must rely on the procedures of Iberclear and its participants to receive payments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holders of the Notes according to book-entries and registries as described in the previous paragraph.

A summary of clearance and settlement procedures applicable to book-entry notes in Spain is contained

under Section 9 of this Base Prospectus.

Legal investment considerations may restrict certain investments

Investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Conflicts may arise between the interests of the Calculation Agent and the interests of the holders

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including a Dealer who acts as a Calculation Agent), including with respect to certain determinations and judgements that such Calculation Agent may carry out pursuant to the Conditions. Such determinations and judgements, may have an impact in the amounts to be received by the Noteholders during the term of the Notes and upon their redemption.

The value of the Notes could be adversely affected by a change in English law or regulation

Save as established therein, the Terms and Conditions of the Notes are based on English law. No assurance can be given as to the impact of any judicial decision or change to English law or regulation after the date of this Base Prospectus, and any such change could have a material adverse impact on the value of any Notes affected by it.

Other risks

Risks Relating to the Insolvency Act

The Insolvency Act, which came into force on 1 September 2004, supersedes all pre-existing Spanish provisions which regulated bankruptcy, insolvency (including suspension of payments) and any process affecting creditors' rights generally, including the ranking of credits.

The Insolvency Act provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month of the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the period to report may be reduced to fifteen days), (ii) provisions in a bilateral contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of the declaration of insolvency and any amount of interest accrued up to such date and outstanding (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

Risks relating to the Spanish withholding tax regime

Article 44 of the regulations approved by Royal Decree 1065/2007, of 27 July 2007 (**Royal Decree 1065/2007**), sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014 of 26 June 2014, on regulation, supervision and solvency of credit entities (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*) (Law 10/2014). The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

According to the plain wording of section 4 of article 44 of the regulations approved by Royal Decree 1065/2007, income derived from securities originally registered with Iberclear will be paid by the Issuer net of Spanish withholding tax (at a current rate of 19%) if the recipient of the payment is an individual resident in Spain for tax purposes and subject to Spanish Individual Income Tax. The Issuer will not pay any additional amounts in respect of any such withholding tax.

On the other hand, interest payments made by the Issuer in respect of the Notes for the benefit of non-Spanish tax resident investors, or for the benefit of Spanish Corporate Income Tax taxpayers, will not

be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a **Payment Statement**), in accordance with section 4 of article 44 of the regulations approved by Royal Decree 1065/2007, with

the following information:

- (i) Identification of the Notes.
- (ii) Total amount of the income paid by the Issuer.
- (iii) Amount of the income corresponding to individuals residents in Spain that are Individual Income Tax taxpayers.
- (iv) Amount of the income that must be paid on a gross basis.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, currently at the rate of 19%.

Should this occur, affected beneficial owners would receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the 10th calendar day of the month immediately following the relevant payment date. In addition, non-Spanish tax resident investors who are the beneficial owners of such income may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non Resident Income Tax Law.

Prospective investors should note that the Issuer does not accept any responsibility relating to the lack of delivery of a duly executed and completed Payment Statement by Iberclear Members in connection with each payment of income under the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any beneficial owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because the Payment Statement was not duly delivered to the Issuer. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding tax.

Noteholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes. The Issuer does not assume any responsibility in this regard.

The proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the "Commission's proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a "participating Member State"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

3. DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in this Base Prospectus and form part of this Base Prospectus provided however that any statement contained in any document incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such statement:

- (i) CriteriaCaixa's audited consolidated financial statements as of and for the year ended 31 December 2016 prepared in accordance with International Financial Reporting Standards, as adopted by the EU (**IFRS-EU**) and its corresponding auditor report and the management report (filed with the CNMV and available on the CNMV's website (<https://www.cnmv.es/AUDITA/2016/16788.pdf>) and available, together with its corresponding English translation, on CriteriaCaixa's website (https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/CuentasAnualesConsolidadasInformedeGestionConsolidado2016.pdf) and https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/Consolidatedfinancialstatementsandconsolidateddirectors2016.pdf).
- (ii) CriteriaCaixa's audited consolidated financial statements as of and for the year ended 31 December 2017 prepared in accordance with International Financial Reporting Standards, as adopted by the EU (**IFRS-EU**) and its corresponding auditor report and the management report (deposited in the CNMV and available, together with its corresponding English translation, on CriteriaCaixa's website https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/CriteriaCaixa_CCA_A_consolidadas_2017_CAST.pdf and https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/CriteriaCaixa_CCA_A_consolidadas_2017_ENG.pdf).
- (iii) CriteriaCaixa's audited standalone financial statements as of and for the year ended 31 December 2016 prepared in accordance with the Spanish General Accounting Principles (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, of 16 November, and its corresponding auditor report and the management report (filed with the CNMV and available on the CNMV's website (<https://www.cnmv.es/AUDITA/2016/16788.pdf>) and available, together with its corresponding English translation, on CriteriaCaixa's website (https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/CuentasAnualesInformedeGestion2016_es.pdf) and https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/FinancialstatementsandDirectorsreport2016.pdf).
- (iv) CriteriaCaixa's audited standalone financial statements as of and for the year ended 31 December 2017 prepared in accordance with the Spanish General Accounting Principles (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, of 16 November, and its corresponding auditor report and the management report (deposited in the CNMV and available, together with its corresponding English translation, on CriteriaCaixa's website https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/CriteriaCaixa_CCA_A_individuales_2017_CAST.pdf and https://www.criteriacaixa.com/deployedfiles/caixa_holding/Estaticos/pdf/CriteriaCaixa_CCA_A_individuales_2017_ENG.pdf).

4. DESCRIPTION OF THE ISSUER

4.1 History and development of the Issuer

4.1.1 Legal status

CriteriaCaixa, S.A., Sociedad Unipersonal and its subsidiaries form the **CriteriaCaixa Group** or the **Group**. Fundación Bancaria Caixa d'Estalvis I Pensions de Barcelona ("**la Caixa**" **Banking Foundation**) is the sole shareholder of CriteriaCaixa and the parent company of the Group.

The Issuer has its registered office in the city of Palma (Mallorca), at Plaza Weyler, 3 (contact telephone number (+34) 93 409 21 21) with Tax Identification Number (N.I.F.) A-63379135 and is registered in the Palma de Mallorca Companies Register volume 2,733, page 82, sheet PM-82,742, inscription 2 with global LEI code 959800DQUAMV0K08004.

"la Caixa" Banking Foundation is governed by Law 26/2013, of 27 December, on savings banks and banking foundations, (*Ley 26/2013, de 27 de diciembre, de cajas de ahorros y fundaciones bancarias*) as subsequently developed by the Bank of Spain through the Circular 6/2015, of 17 November 2015 and the Bank of Spain Circular 7/2016, of 29 November 2016, issued pursuant to the authorisation provided by Royal Decree 877/2015, of 2 October (the "**Savings Banks and Banking Foundations Law**"). Pursuant to the legal framework established by the aforementioned Saving Banks and Banking Foundations Law, the banking foundations that hold a stake, directly or indirectly, of at least 30% in a credit entity must present on annual basis a protocol for managing the bank investees, a basic financial plan supervised by the Bank of Spain and a corporate governance report, which is supervised by the Ministry of Economy, Industry and Competitiveness.

CriteriaCaixa is governed by Royal Decree Legislative 1/2010, of 2 July 2010, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*) (the "**Spanish Companies Act**") and any developing and implementing regulation. Additionally, due to the fact that CriteriaCaixa's sole shareholder is a banking foundation and that CriteriaCaixa holds the stake in CaixaBank, CriteriaCaixa is indirectly subject to the Savings Banks and Banking Foundations Law and to the requirements and supervision of Spanish public authorities mentioned in the previous paragraph.

4.1.2 Incorporation process

CriteriaCaixa, formerly Criteria CaixaHolding, S.A.U. (prior to that Servihabitat XXI, S.A.U. and, originally, Gestora de Microfinances, S.A.U.), was incorporated on 17 December 2003 and is incorporated for an indefinite duration. The corporate resolutions whereby the company name was changed from Gestora de Microfinances, S.A.U. to Servihabitat XXI, S.A.U. were adopted on 16 July 2007 and executed in a public deed on 25 July 2007.

On 18 December 2013, the Issuer adopted the name Criteria CaixaHolding, S.A.U. pursuant to the merger of Servihabitat XXI, S.A.U. (the absorbing company) and Criteria CaixaHolding, S.A.U. (the absorbed company). On 7 October 2015, the decisions adopted by the sole shareholder of the Issuer modifying the corporate name from Criteria CaixaHolding, S.A.U. to Criteria Caixa, S.A.U., were signed before a notary public and placed on public record.

4.1.3 Reorganisation

As a result of the entry into force of the Savings Banks and Banking Foundations Law, Caja de Ahorros y Pensiones de Barcelona's Ordinary General Assembly held on 22 May 2014 approved the conversion of Caja de Ahorros y Pensiones de Barcelona into "la Caixa" Banking Foundation (Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona), which became effective on 16 June 2014 through its registration under number 1,658 in the Register of Foundations of the Spanish Ministry of Education, Culture and Sport. As a result, "la Caixa" curtailed its indirect exercise of financial activity and lost its status as a credit institution. Said General Assembly also approved the Group's reorganisation (the **Reorganisation**) with:

- (a) the proposed dissolution and liquidation of the former Fundación Caixa d'Estalvis i Pensions de Barcelona ("**la Caixa**" **Foundation**) and the transfer of its assets and liabilities to "la Caixa" Banking Foundation; and

- (b) the proposal to the Trustees (*Patronos*) of the new "la Caixa" Banking Foundation for the spin off (the **Spin-Off**), in favour of the Issuer, which was carried out in October 2014, of the assets and liabilities not assigned to welfare projects (essentially "la Caixa" Banking Foundation's stake in CaixaBank and the debt instruments of which it was the issuer). As a result, "la Caixa" Banking Foundation indirectly held its ownership interest in CaixaBank through CriteriaCaixa. Under the accounting legislation regarding mergers, spin-offs and contributions of lines of business between entities in the same group, the transaction was retrospectively effective for accounting purposes from 1 January 2014.

4.1.4 The Spin-Off became effective on 14 October 2014, through the registration of the Spin-Off public deed with the Commercial Registry of Barcelona (Registro Mercantil de Barcelona). European Central Bank (ECB)'s supervision after the Reorganization and subsequent loss of supervision

As a result of the Spin-Off, CriteriaCaixa was considered by the ECB to be a mixed financial holding company for the purposes of Regulation (EU) No 575/2013 and parent of a financial conglomerate. This led the ECB to establish the prudential scope of consolidation of the banking group at the CriteriaCaixa level. Consequently, CriteriaCaixa was under the prudential supervision of the ECB and even though it was not a credit institution, certain EU regulations in relation to the ECB's supervision, banking recovery and resolution requirements applied to CriteriaCaixa at group level, and as a part of the perimeter of consolidated institutions under the applicable Spanish and European regulations.

The classification of CriteriaCaixa as a mixed financial holding company and parent of a financial conglomerate mainly derived from its control holding in CaixaBank (in which it held an ownership of approximately 58.9% on the date when the Spin-Off became effective).

In May 2016, the Board of Trustees (*Patronato*) of the "la Caixa" Banking Foundation and CriteriaCaixa's Board of Directors agreed to place on record their intent to comply, before the end of 2017, with the requirements announced by the ECB (i) in order for CriteriaCaixa to effectively relinquish control of CaixaBank for prudential deconsolidation purposes, and (ii) in view of the fact that the European banking resolution authorities would have likely decided that the scope of resolution would lie at the CriteriaCaixa Group level, which would effectively tie all of CriteriaCaixa's sole shareholder's net worth to one single investment.

The most significant requirements established by the ECB for such purposes were the following:

- a) Limit CriteriaCaixa's stake in CaixaBank to 40% for both voting and economic rights.
- b) Implement various corporate governance measures to limit CriteriaCaixa's influence on CaixaBank's governing bodies.
- c) Restrict CaixaBank's lending to the CriteriaCaixa Group/"la Caixa" Banking Foundation and vice-versa. These must be met within one year after the deconsolidation.

In order to comply with all of the requirements established by the ECB for prudential deconsolidation purposes, CriteriaCaixa took the following steps in 2017:

- a) Reduction of CriteriaCaixa's stake in CaixaBank to a maximum of 40%. For those purposes, a package of 318,305,355 CaixaBank shares, owned by CriteriaCaixa, was placed among institutional and/or qualified investors through an accelerated bookbuild offering on 6 February 2017, comprising approximately 5.32% of CaixaBank's share capital. Following this placement, CriteriaCaixa held 40% of all voting rights in CaixaBank.
- b) Corporate Governance: during the second half of 2017, all the ECB's requirements were met by amending CaixaBank's By-laws and the "Protocol for managing the financial investment of "la Caixa" Banking Foundation in CaixaBank".
- c) Steps in relation to the financing provided by CaixaBank to "la Caixa" Banking Foundation Group:

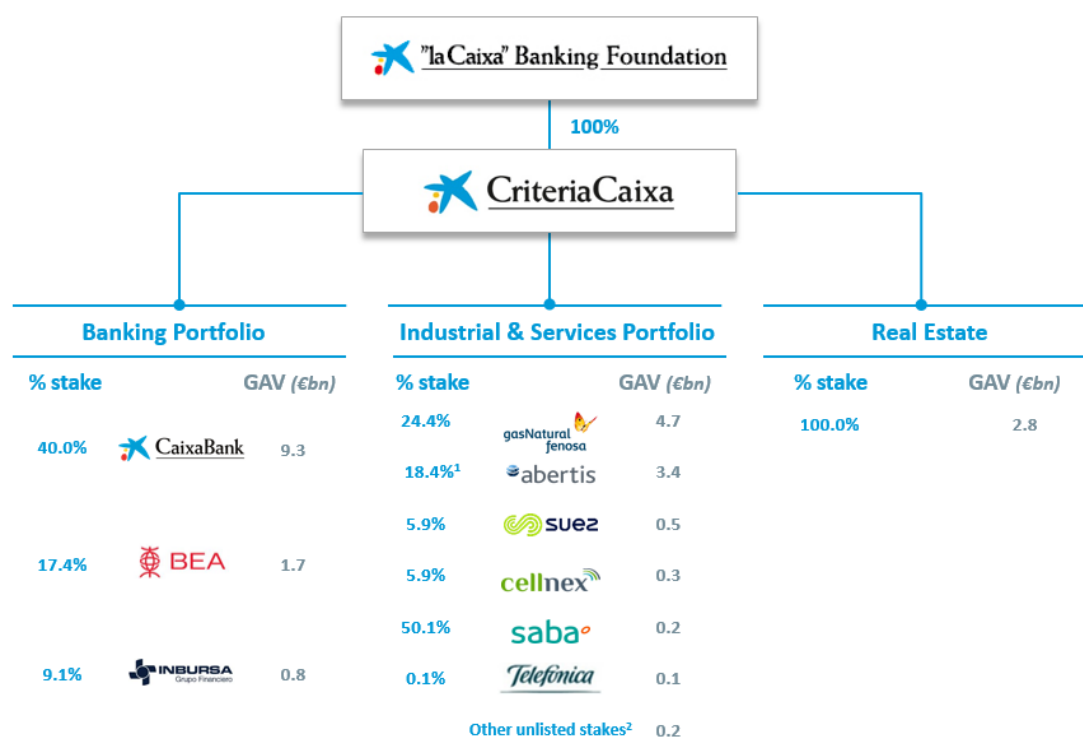
- Reduction of funding with CaixaBank to below 5% of CaixaBank's eligible own funds on deconsolidation, as required by the ECB, and a commitment to reduce it to 0% over the following 12 months after deconsolidation. This percentage was 0.91% at 31 December 2017.
- Redemption of the last subordinated debt issuance of CriteriaCaixa placed through CaixaBank's branch network amongst retail customers, so that neither CriteriaCaixa nor "la Caixa" Banking Foundation have any financing from CaixaBank's customers

On 26 September 2017, the Governing Council of the ECB confirmed the loss of control by CriteriaCaixa over CaixaBank and it decided that, with effects from such date, CriteriaCaixa was no longer under its supervision and the group under supervision was going to be the group which is headed by CaixaBank.

Thus, CriteriaCaixa ceased to be considered as a mixed financial holding company for the purposes of Regulation (EU) No 575/2013 and the parent of a financial conglomerate, and was no longer required to comply with the capital requirements of said regulation. Additionally, due to the decision adopted by the Governing Council of the ECB on 26 September 2017, the Single Resolution Board considered that the scope of Regulation (EU) No 575/2013 does not apply to the Group. Nevertheless, CriteriaCaixa, as a wholly owned affiliate of "la Caixa" Banking Foundation, will continue being indirectly supervised by both the Bank of Spain and the Ministry of Economy, Industry and Competitiveness, as stated in the Savings Banks and Banking Foundations Law, as long as its stake in CaixaBank stands above 10%.

4.1.5 Group's corporate structure

As of 31 December 2017, CriteriaCaixa's Gross Asset Value (GAV) amounts to €24,027 million and the Group's corporate structure is as follows:



¹ 18.44% economic stake (21.14% voting rights)

² Includes stakes in Vithas, Caixa Capital Risc and Aiqües de Barcelona

There have been no significant events which have had a material impact in the corporate structure of the Issuer between 31 December 2017 and the date of this Base Prospectus, other than the acceptance on 8 May 2018 by Criteria and Inversiones Autopistas of Hochtief's Offer in relation to Abertis shares (as further described on Section 4.3.2).

4.2 Main Developments

Sale of 0.98% of the share capital of Abertis

During 2017, Criteria and Inversiones Autopistas, S.A. (Criteria holds a stake of 55.54% in this company) sold 9,815,090 shares of Abertis, which represented 0.98% of Abertis' share capital, for a total amount of €183 million.

A positive impact of €140 million was recognised in the consolidated *Profit and Loss* statement.

Sale of 5.32% of the share capital in CaixaBank

On 6 February 2017 CriteriaCaixa sold through an accelerated book building offering 318,305,355 shares of CaixaBank which represented 5.322% of its share capital for a total amount of €1,069 million for a price of €3.36 per share.

A negative impact of €171 million was recognised in *Reserves*, with a €1,240 million increase in *Minority Interests*.

Sale of 1.7% of the share capital in CaixaBank

On 13 December 2016 CriteriaCaixa sold through an accelerated book building offering 100,000,000 shares of CaixaBank which represented 1.7% of its share capital for a total amount of €315 million for a price of €3.15 per share.

A negative impact of €82 million was recognised in *Reserves*, with a €395 million increase in *Minority Interests*.

Sale of 10% of the shares of Gas Natural

On 12 September 2016 each of CriteriaCaixa and Repsol, S.A. executed a sale and purchase agreement in which each of them agreed to sell 10% of the share capital of Gas Natural (20% of the share capital of Gas Natural in total) to GIP III Canary 1, S.à r.l.

The transfer of the shares occurred on 21 September 2016 once the relevant condition precedents were satisfied.

A positive impact of €215 million was recognised in the consolidated *Profit and Loss* statement.

Acquisition of 17.30% of the share capital of BEA and 9.01% of Inbursa in exchange of 9.89% of the share capital of CaixaBank and cash

On 3 December 2015 CriteriaCaixa and CaixaBank executed a transfer agreement (the “**Transfer Agreement**”) in which they agreed that CriteriaCaixa was going to transfer 9.89% of the share capital of CaixaBank and €678 million in cash to CaixaBank in exchange of 17.30% of the share capital of BEA and 9.01% of the share capital of Inbursa to be transferred by CaixaBank to CriteriaCaixa.

A negative impact of €158 million was recognised in *Reserves*, with a €158 million increase in *Minority Interests*.

The transfer was effective on 30 May 2016 once all the authorizations were obtained and the relevant condition precedents were satisfied.

As a result of the transfers set out in the Transfer Agreement, the former agreements relating to BEA and Inbursa have been amended so that the Issuer could assume CaixaBank's position as their shareholder. CaixaBank will continue in its role as banking partner of both banks, and it will continue cooperating with them on commercial activities. When making strategic investments in banks operating in the America and in the Asia-Pacific area, Criteria and CaixaBank will maintain their commitment to carry out the investments through Inbursa and BEA respectively, except if Inbursa decides not to participate in the investment.

Main developments after 31 December 2017

There have not been main developments between 31 December 2017 and the date of this Base Prospectus.

4.3 Business Overview

The Group's corporate purpose is to manage and increase the wealth of "la Caixa" Banking Foundation in order to provide, through dividend distributions, the resources needed by "la Caixa" Banking Foundation to continue developing and implementing its welfare projects.

Criteria has a conservative investment policy, focused on a long-term horizon and the majority of the investments companies shall: (i) be leaders in their sectors, (ii) be listed companies preferably, (iii) have an attractive and a recurring shareholder remuneration policy, and (iv) have directors appointed by Criteria in their governing bodies during the investment period.

As a result, the Issuer invests in diversified key economic and strategic sectors which are currently divided in three different portfolios: (i) the banking portfolio, which comprises the stakes in CaixaBank, BEA and Inbursa, which are also involved in the insurance business; (ii) the industrial and services portfolio, which comprises Gas Natural (energy), Abertis (infrastructure), Suez S.A. (**Suez**) (integral water cycle and waste management), Cellnex Telecom, S.A. (**Cellnex**) (telecommunications), Telefónica, S.A. (**Telefónica**) (telecommunications) and other non-listed stakes such as Saba Infraestructuras, S.A. (**Saba**) (parking lots) and Vithas Sanidad, S.L (**Vithas**) (health). In addition, CriteriaCaixa holds a real estate portfolio directly or indirectly through wholly owned subsidiaries.

As of 31 December 2017, CriteriaCaixa's GAV amounts to €24,027 million and 86.8% of such GAV corresponds to public companies. All the listed companies invested by CriteriaCaixa have at least an investment grade rating. CriteriaCaixa's GAV has been calculated by taking into account the listed assets' market value, the net book value of non-listed assets, and the net book value of real estate assets as of 31 December 2017.

The GAV is distributed as follows: (i) €9,305 million corresponds to CaixaBank, (ii) €1,742 million corresponds to BEA, (iii) €824 million corresponds to Inbursa, (iv) €4,708 million corresponds to Gas Natural, (v) €3,388 million corresponds to Abertis, (vi) €536 million corresponds to Suez, (vii) €294 million corresponds to Cellnex, (viii) €55 million corresponds to Telefónica, (ix) €362 million corresponds to other non-listed investments, and (x) €2,813 million corresponds to the real estate portfolio (*Source*: CriteriaCaixa's 2017 consolidated annual accounts).

As of 31 December 2017, CriteriaCaixa's Gross Debt amounted to €6,309 million, distributed as follows: (i) €2,750 million corresponds to senior unsecured issuances, (ii) €3,445 million corresponds to bank loans (ex CaixaBank) and (iii) €114 million corresponds to loans with CaixaBank. Please see *Alternative Performance Measures* of Section 10 (*Additional Information*) for an explanation, reconciliation and breakdown of the Gross Debt.

As of 31 December 2017, CriteriaCaixa's Net Debt amounted to €5,692 million. Such Net Debt is calculated by deducting €617 million (which corresponds to Cash and Equivalents) from the Gross Debt (which, as stated above, amounted to €6,309 million as of 31 December 2017). This Net Debt position together with the above explained GAV resulted in a 23.7% LTV (Net Debt over GAV) and a Net Asset Value (NAV) totalling €18,335 million (*Source*: CriteriaCaixa's 2017 consolidated annual accounts). Please see *Alternative Performance Measures* of Section 10 (*Additional Information*) for an explanation, reconciliation and breakdown of the Cash and Equivalents, Net Debt, LTV and NAV.

During fiscal year of 2017 CriteriaCaixa has received from its investees a total of €794 million in dividends (please see *Alternative Performance Measures* of Section 10 (*Additional Information*) for an explanation, reconciliation and breakdown of this figure). This figure includes both cash (92%) and scrip dividends (8%) that together with €153 million in financial expenses resulted in an Interest Coverage Ratio (ICR) of 5.2x (please see *Alternative Performance Measures* of Section 10 (*Additional Information*) for an explanation, reconciliation and breakdown of this figure).

This financial profile reinforces the commitment of CriteriaCaixa with investment grade rating.

As of 31 December 2017, the performance of CriteriaCaixa Group by business segment is shown in the table below, which included audited figures. (*Source*: CriteriaCaixa's 2017 consolidated annual accounts):

Item	Thousands of euros					Total Group
	Banking portfolio	Industrial and services portfolio	Real estate management	Corporate activities	Adjustments and eliminations	
CONTINUING OPERATIONS						
Sales and services	-	206,025	67,865	1,505	(2,933)	272,462
Share of profit/(loss) of entities accounted for using the equity method	321,172	544,381	-	-	-	865,553
Return on equity instruments	-	26,650	-	-	-	26,650
Gains/(losses) on financial assets and liabilities	-	95	-	216	-	311
Gains/(losses) on transactions with Group companies, associates and joint ventures	-	(197)	-	140,576	-	140,379
Change in inventories of finished products and work in progress	-	-	459	-	-	459
In-house work on non-current assets	-	257	-	-	-	257
Procurements	-	(335)	38,472	-	-	38,137
Other operating income	-	8,022	7,422	-	(642)	14,802
Staff expenses	-	(58,758)	(9,206)	(12,789)	-	(80,753)
Other operating expenses	-	(57,425)	(74,683)	(22,980)	7,189	(147,899)
Depreciation and amortisation	-	(65,871)	(23,415)	(1,389)	-	(90,675)
Changes in provisions	-	-	-	-	-	-
Impairment and gains/(losses) on disposal of non-current assets	-	50	6,292	(326)	-	6,016
Impairment of stakes in associates and joint ventures	-	(1,104)	-	-	-	(1,104)
Impairment on financial instruments	-	(2,047)	-	(361)	-	(2,408)
Negative goodwill recognised in profit or loss	6,443	-	-	-	-	6,443
Other gains and losses	-	(593)	1,040	(202)	-	246
NET OPERATING INCOME/(LOSS)	327,615	599,150	14,246	104,250	3,614	1,048,875
Financial income	-	2,137	-	1,641	-	3,778
Financial expenses	-	(33,979)	-	(151,822)	13,243	(172,558)
Change in fair value of financial instruments	-	268	-	18,798	(8,210)	10,856
NET FINANCIAL INCOME/(EXPENSE)	-	(31,574)	-	(131,383)	5,033	(157,924)
PROFIT/(LOSS) BEFORE TAX	327,615	567,576	14,246	(27,133)	8,647	890,951
Income tax	-	(1,029)	-	20,341	-	19,312
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	327,615	566,547	14,246	(6,792)	8,647	910,263
Profit/(loss) from discontinued operations	1,579,769	2,945	-	-	(8,647)	1,574,067
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	1,907,384	569,492	14,246	(6,792)	-	2,484,330
Attributable to minority interest	935,250	26,849	-	63,503	-	1,025,602
Attributable to owners of the parent	972,134	542,643	14,246	(70,295)	-	1,458,728
Total assets	12,754,019	6,964,028	2,891,139	2,714,755	-	25,323,941

4.3.1 Banking portfolio

CaixaBank (40%)

The group of CaixaBank is a flagship group in Iberian retail banking (*Source*: FRS Inmark report of the year 2017), with 13.8 million clients in Spain and 1.9 million clients in Portugal (*Source*: CaixaBank's 2017 annual accounts), after the takeover launched over Banco Português de Investimento S.A. (BPI) in February 2017, whereby CaixaBank reached a stake of 84.5% in the share capital of BPI.

With a market penetration of 30% among individual customers, CaixaBank is the leading retail bank in Spain. (*Source*: FRS Inmark report of the year 2017 and CaixaBank's 2017 annual accounts).

CaixaBank's universal banking model is based on quality and an accessible and customized service, with a wide range of products and services that are adapted to customers' needs. CaixaBank has a one-stop shop distribution model for lifetime finance and insurance needs operating through a network of bank branches and it has a best-in-class omni-channel distribution platform with multi-product capabilities. In online and mobile banking, CaixaBank remains leader with 55% of its customers digitalized (*Source: CaixaBank's 2017 annual accounts*). It has also received various international awards and accolades, making it an international benchmark for innovation: "Best Artificial Intelligence Project" (The Banker awards of 2017), Model Bank (CELENT awards of 2017) and "Best Digital Bank in Spain" (Global Finance awards of 2017), among others.

CaixaBank has certain shareholdings in companies of the services sector. The shares of CaixaBank are listed in the stock exchanges of Barcelona, Bilbao, Madrid and Valencia and CaixaBank is one of the components of the IBEX 35 stock market index, the Dow Jones Sustainability (DJS) index, the FTSE4Good index and the Advanced Sustainable Performance Index (ASPI).

As of 31 December 2017, CaixaBank's network included 5,379 branches and 36,972 employees. (*Source: CaixaBank's 2017 annual accounts*).

As of 31 December 2017, the total assets of the CaixaBank group amounted to €383,186 million. The gross amount of the customer loans was €223,951 million and the amount of the customer funds was €349,458 million. (*Source: CaixaBank's 2017 annual accounts*).

The total profit attributable to the group of CaixaBank amounted to €1,684 million in 2017 (€1,047 million in 2016). (*Source: CaixaBank's 2017 annual accounts*).

As of 31 December 2017, CaixaBank group's CET 1 and Total Capital ratios, on a fully loaded basis, were 11.7% and 15.7% respectively (*Source: CaixaBank's 2017 annual accounts*).

Following the outcome of the Supervisory Review and Evaluation Process (SREP), CaixaBank group is required to maintain a consolidated phase-in Common Equity Tier 1 (CET1) ratio of 8.063% in 2018 (8.75% fully loaded).

The Bank of East Asia, Ltd. (17.44%)

Upon closing on 30 May 2016 of the Transfer Agreement, Criteria acquired a stake of 17.30% of BEA.

Currently, CriteriaCaixa holds a 17.44% stake in BEA, the parent of a leading Hong Kong financial services group, which provides services to customers throughout **Greater China** (continental China and including Hong Kong, Taiwan and Macao) (where its presence dates back to prior to 1920). As of the date of this Base Prospectus, such group operates, through its wholly-owned subsidiary The Bank of East Asia (China) Limited, a bank which has one of the most extensive networks of any international bank in **Mainland China** (continental China and excluding Hong Kong, Taiwan and Macao), with 108 branches in 44 cities nationwide. Over the years, BEA has built its reputation as a pioneer of innovative and value-added banking services to customers of Mainland China. It offers corporate banking, personal banking, wealth management, and investment services. BEA has also presence in the southeast of Asia, the United Kingdom and the United States. BEA operates around 200 branches and employs approximately 10,000 people worldwide (including Greater China). As of 31 December 2017, it had €86,315 million total assets, the amount of the total profit attributable to the group of BEA was €1,062 million, and CET 1 and Total Capital ratios, on a phase in basis were 13.2% and 17.8% respectively (*Source: BEA's 2017 annual results*).

Since 2010, the "la Caixa" Banking Foundation, the Bank of East Asia Charitable Foundation and the Salvation Army Hong Kong and Macau Command have been working together to develop a palliative care program for terminally ill patients in Hong Kong. In September 2013, this agreement was renewed until March 2017. Furthermore, in April 2017 the program was extended until March 2020, with a clearer focus on healthcare.

Additionally, "la Caixa" Banking Foundation has joined the "Firefly Project" of the Bank of East Asia Charitable Foundation that since 2010 has established 39 learning centres for around 500 child students in some of the most rural areas of 19 provinces of the People's Republic of China.

Grupo Financiero Inbursa, S.A.B de C.V. (9.10%)

Upon Closing of the Transfer Agreement, CriteriaCaixa also acquired a stake of 9.01% of Inbursa. Currently, CriteriaCaixa holds a 9.10% stake in Inbursa.

Inbursa is one of the leading financial services holding companies in Mexico and the second largest Mexican-owned financial services company based on total assets, loans and equity and is the most capitalized bank among the major Mexican banks. The group of Inbursa is one of the most diversified Mexican financial groups, maintaining leading position in many of the segments in which it operates (it offers a wide range of financial and related services, including retail and commercial banking, insurances, asset management and investment banking). The banking subsidiary of Inbursa is one of the top-six banks in Mexico. Furthermore, the insurance subsidiary of Inbursa is one of the top-four insurers in Mexico and leader in premiums in non-life insurances (excluding auto insurances). (*Source: www.inbursa.com*).

Inbursa offers products in multiple segments of the Mexican economy (with 14.6 million clients using multiple distribution channels) and an integrated infrastructure (more than 900 branches, 4,684 ATM's, 11,441 employees and more than 30,900 sales force), which has allowed it to consistently be one of the most efficient financial group among the seven largest financial groups in Mexico (*Source: Inbursa's 2017 annual accounts*).

As of 31 December 2017, it had total assets of €21,879 million, the total profit attributable to the group amounted to €937 million (*Source: Inbursa's 2017 annual accounts*) and the CET 1 and the Total Capital ratios, on phase in basis, stood at 18.3%. (*Source: Inbursa's 2017 annual accounts*).

Since 2009, the "la Caixa" Banking Foundation and the foundation of Inbursa have been working together to develop programs in Mexico targeting palliative care for patients with a terminal illness, transplants of organs and drug abuse prevention.

4.3.2 Industrial and services portfolio

Criteria has holdings in strategic industries such as the energy industry, infrastructure and utilities, which seek to generate value through the active management of its portfolio.

This portfolio includes top-level companies with a sound position of leadership in their various sectors of activity, and which have a significant capacity for generating value and profitability.

Criteria promotes the growth, development and profitability of the industrial companies and businesses in which it has ownership interests through an active management approach. To this end, it has in-depth knowledge of the sectors in which it is present, an extended track record as an investment company and experienced management teams. Criteria identifies, analyses, studies and evaluates new business, investment and divestment opportunities as part of its activity.

Criteria plays an active role in the governing bodies of its investees, that helps to influence in the definition of their future strategies and contributing to the medium to long-term development of their business activities.

It has a medium to long-term investment time horizon and maximises value using an approach founded on corporate development and commitment to the strategies of the companies in the portfolio, carrying out purchase and sale transactions at the most appropriate time.

Criteria has a consolidated business project combining investments in listed companies, leaders in their respective industries, with ownership interests in unlisted companies, which offer steady returns with controlled levels of risk.

Criteria's industrial portfolio, at 31 December 2017, includes the following companies:

Gas Natural SDG, S.A. (24.44%)

Gas Natural is an European integrated utility present in over 30 countries, offering services to more than 22 million customers and with an installed capacity of more than 15 Gigawatts. (*Source: Gas Natural's corporate brochure*).

Gas Natural is currently the largest integrated gas and power company in Spain and Latin America, and the 3rd utility in Iberia and one of the main gas midstream operators in the Atlantic and Mediterranean basins (*Source*: Gas Natural's corporate brochure).

Gas Natural is listed on the Spanish stock markets and is part of the Ibex 35 index, as well as of international indexes such as Eurostoxx and MSCI Euro Index.

Abertis Infraestructuras, S.A. (18.44% in economic rights and 21.14% in voting rights)

Abertis is one of the world leaders in the management of motorways by kilometers managed, with more than 8,600 kilometers of high capacity and quality roads, of which close to 8,000 kilometers are managed directly. The continuous process of internationalization has led Abertis to be present in 15 countries in Europe, America and Asia, which has allowed it to diversify its geographic risk and adapt better to global economic cycles.

Abertis also holds a 34% stake in the company Cellnex, one of the largest neutral operator of telecommunications infrastructures in Europe for mobile telephony and audiovisual broadcasting, with a network at 31 December 2017 of more than 21,000 towers. Cellnex is also directly participated by Criteria, with a stake of 6%.

Likewise, Abertis keeps a 57.05% stake in Hispasat, S.A. an international operator of reference in satellite telecommunications infrastructures. However, during the year 2017 Abertis decided to discontinue this business and classify it as an interrupted activity available for sale.

On May 15, 2017, the Italian company Atlantia, S.p.A. (**Atlantia**) announced its decision to make a Public Offer of Acquisition (**Atlantia's Offer**) over all the shares of Abertis by, alternatively, paying €16.50 per Abertis share and/or exchanging 0.697 special shares of Atlantia for each Abertis share. Its prospectus was authorized by the CNMV on October 9, 2017 but the acceptance period of the aforementioned offer was suspended on October 18, 2017, when the German company Hochtief Aktiengesellschaft (**Hochtief**) (controlled by the Spanish company ACS, Actividades de Construcción y Servicios, S.A.) presented a competing acquisition offer (**Hochtief's Offer**) also for all the shares of Abertis by, alternatively, paying €18.76 per Abertis share and/or exchanging 0.1281 new shares of Hochtief for each Abertis share. On 19 February 2018 Hochtief announced a change in its offer consideration and Hochtief offered, alternatively, a payment of €18.36 per Abertis share and/or an exchange of 0.1254 new shares of Hochtief for each Abertis share, subject to the approval of a dividend distribution by Abertis shareholders' meeting. Hochtief's Offer was authorized by the CNMV on March 12, 2018 and its acceptance period began on March 20, 2018. However, on March 14, 2018 an agreement between Hochtief and Atlantia was published in which they agreed to amend Hochtief's Offer (so that the only consideration to be offered to Abertis' shareholders would be a payment of €18.36 per Abertis share, i.e. removing the consideration consisting of Hochtief's shares) and to resign Atlantia's Offer and to incorporate a holding company which will own the shares of Abertis after the settlement of Hochtief's Offer. This amendment was filed with the CNMV on 23 March 2018 and was authorized by the CNMV on 12 April 2018.

Additionally, pursuant to a relevant fact (*Hecho Relevante*) published by Abertis on 17 April 2018, Mr. Salvador Alemany Mas, Mr. Marcelino Armenter Vidal, Mr. Juan José López Burniol and Ms. Susana Gallardo Torrededea, directors of Abertis appointed at the proposal of Criteria, have declared that Criteria, direct owner of 149,265,272 shares of Abertis representing 15.07% of the voting rights in Abertis, intends to accept the tender offer launched over Abertis in respect of all the shares owned by Criteria, conditioned to the ratification by Criteria's Board of Directors.

Pursuant also to said relevant fact, G3T, S.L., director of Abertis appointed at the proposal of Inversiones Autopistas, S.A. (**Inversiones Autopistas**), a company controlled by Criteria, has declared that Inversiones Autopistas, direct owner of 60,123,057 shares of Abertis representing 6.07% of the voting rights in Abertis, taking into account the agreements entered into with Criteria, intends to accept the tender offer launched over Abertis in respect of all the shares owned by Inversiones Autopistas, conditioned to the ratification by Inversiones Autopistas' and Criteria's respective Boards of Directors. (*Source*: www.abertis.com).

The acceptance period of Hochtief's Offer (including the amendment) finished on 8 May 2018. On such date, Criteria and Inversiones Autopistas accepted Hochtief's Offer. The total cash amount attributable to Criteria as a consequence of such acceptance (taking into account the Abertis shares directly owned by Criteria and those indirectly owned through Inversiones Autopistas) was €3,353 million.

Abertis trades on the Spanish stock market and forms part of the Ibex 35 index, as well as of international indexes such as the Standard & Poor's Europe 350. (*Source: www.abertis.com*)

Suez S.A. (5.86%)

CriteriaCaixa is currently the second largest shareholder of the French company Suez (*Source: Press release dated 22 May 2017*) after the capital increase of GE Water & Process Technologies (**GE Water**).

Suez is a world class company that operates in all stages of the integral water cycle and waste management. The company has c. 90,000 employees on five continents. In the water business, Suez is the leading operator in Spain and Chile and the second-largest in France. In the waste business, Suez is the leading company in Belgium and ranks second in France (*Source: 2017 Financial Results press release of Suez dated 1 March 2018*).

In 2017, Suez together with Caisse de Dépôt et Placement du Québec (**CDPQ**) (in particular, a joint-venture 70% owned by Suez and 30% owned by CDPQ) acquired GE Water, a game-changer for Suez which can potentially accelerate its growth. GE Water is a leading water systems provider and provides services to industrial clients. (*Source: Suez Reference Document and 2017 Results*).

Suez is listed on Euronext Paris and Euronext Brussels and is part of the Stoxx Europe 600 index.

Cellnex Telecom S.A. (5.94%)

Cellnex is the main independent infrastructure operator for wireless telecommunication in Europe.

The main services offered include site rental for telecommunications operators and providing local, regional and national radio broadcasters with the most advanced audiovisual services. It also develops solutions for smart city projects, optimizing the services offered to residents and plays a key role in rolling out security and emergency networks for the security services.

The company is currently listed on the Spanish stock exchange. (*Source: www.cellnextelecom.com*)

Telefónica, S.A. (0.13%)

Telefónica is an integrated telecommunications operator, with a presence in 37 countries across Europe and Latin America. It generates over 76% of its revenue outside Spain, and is the benchmark carrier in the Spanish and Portuguese-speaking 36 markets. It had over 350 million customers and €115,066 million total assets as of 31 December 2017 (*Source: Telefonica's 2017 annual accounts and the corporate's website www.telefonica.com*).

Saba Infraestructuras, S.A. (50.1%)

Saba is a leading industrial operator in developing smart mobility solutions, specialized in the car park management and operates in 5 countries (Spain, Portugal, Chile, Italy and Andorra). Saba has a portfolio of high quality assets combining maturity with development. It operates close to 195,000 parking spaces in 368 car parks. Additionally, Saba is a reference in the implementation of new technologies that meet customer demands (*Source: Saba's company profile of August 2017*).

Caixa Capital Risc S.G.E.I.C, S.A. (100%)

Caixa Capital Risc, S.G.E.I.C, S.A. (**Caixa Capital Risc**) the venture capital arm of the Group, is a benchmark funds investor providing capital and participating loans for innovative start-up companies. It now has €193 million of committed capital, mainly in Spanish companies operating in the digital technology, life sciences and industrial technology sectors. Caixa Capital Risc uses eight special investment vehicles to invest in the first rounds of funding ("seed" and "start-up" phases) and help companies grow. The management company's team of professionals focus on identifying, analysing, investing in and supporting innovative start-ups in Spain.

In addition to its investment activity, Caixa Capital Risc is a major supporter of entrepreneurs in Spain promoting projects that bring training and visibility to new, high-potential companies, while helping to generate value-added contacts.

Vithas Sanidad, S.L. (20%)

Vithas Sanidad, S.L (Vithas), is a Spanish private hospital group, with more than €500 million annual revenues of about. Its 19 hospitals and 25 medical centres are among the leaders in the areas they serve, and care for more than 4.5 million patients covered by any private or mutual insurance plans, and by the Spanish national healthcare system. Vithas has a supply platform that makes it easier to acquire medicines, materials and cutting edge technology. The Vithas group manages over 2,212 beds, 772 outpatient centres, 173 operating theatres and c. 8,800 employees. After Vithas' acquisition of Nisa Nuevas Inversiones en Servicios, S.A. which took place on January 2017, the Vithas group became the second Spanish hospital group in private health (*Source: www.vithas.es*).

Aigües de Barcelona, Empresa Metropolitana de Gestió del Cicle Integral de l'Aigua, S.A. (15%)

Aigües de Barcelona, Empresa Metropolitana de Gestió del Cicle Integral de l'Aigua, S.A. (**Aigües de Barcelona**) manages the full water cycle, from collection to treatment, transport and distribution. The company is also entrusted with the wastewater treatment and purification service to return this water to the environment or reuse it. Aigües de Barcelona, provides drinking water distribution services to 23 towns (2.9 million people), the wastewater treatment and purification serviced to all 36 municipalities of the Barcelona metropolitan area (3.2 million people) (*Source: Sustainable Development Report of 2016*).

4.3.3 *Real estate management*

The management of the Group's real estate assets has been carried out internally since 2017 by the directly wholly-owned subsidiary Inmo CriteriaCaixa, S.A.U. (**InmoCriteria**) which has an experienced team of professionals and proprietary information systems designed to provide end-to-end support for the entire real estate management process. The internal management of the assets enables InmoCriteria to accomplish its targets, by gaining strategic flexibility to ensure that its exposure to the real estate sector is better suited to Criteria's general strategy.

As of 31 December 2017, the Group had a real estate portfolio with a net book value of €2,813 million, which is divided into the following type of assets: assets for rent, lands without any construction and assets which are intended to be sold.

The portfolio of assets for rent has a net book value of €1,162 million. 52% of this portfolio's net book value is allocated to the Affordable Housing (*Vivienda Asequible*) Programme. The purpose of this programme is to facilitate the access of a worthy house to young people, people over 65 years old and families with economic difficulties. Properties are located throughout all the Spanish territory. 43% of this portfolio's net book value is considered strategic assets, where the strategy is to improve their long-term income. The assets of the outstanding 5% of this portfolio's net book value are intended to be sold in order to maximise their selling price once the existing rental and lease agreements terminate.

The portfolio of land without any construction has a net book value of €1,146 million. 63% of the net book value of this portfolio is considered strategic assets and they may be developed in the future, or they will be sold depending on the market conditions.

The rest of this portfolio includes assets located close to Port Aventura World resort in Tarragona. These assets belong to an Urban Master Plan that foresees a future development which consists of approximately (i) 2,350 housing units, (ii) 150,000 m² of mixed commercial and hotel space, (iii) 95,000 m² of hotel space and (iv) a plot in which an integrated tourist centre spanning of 745,000 m² can be built, in addition to the three existing golf courses (Lumine Golf Club) and the beach club which has already been constructed and is running.

The assets for sale consist of a portfolio with a net book value of €505 million. These assets are considered as non-strategic assets and the aim is to maximise their selling price.

At 31 December 2017, the main regions in which most of the Group's real estate assets were located were Barcelona (21%), Madrid (16%) and Tarragona (14%).

4.3.4 Corporate activities

The corporate activities segment comprises the remaining assets and liabilities and related income which is not allocated to the rest of the Group's segments. It includes the net financial debt and income arising from decisions affecting the Group taken as a whole and which, because of their nature, are not allocable to any of the other segments. The total assets of this segment as of 31 December 2017 amounted to €2,715 million.

"Gains/(losses) on transactions with Group's companies, associates and joint ventures" only includes the consolidated gross gains from selling Abertis shares in the stock market in 2017, which amounted to €140 million.

4.3.5 Principal markets

As of 31 December 2017, the revenues of the Group in relation to (i) sales and services, (ii) share of profit/(loss) of entities accounted for using the equity method, (iii) return on equity instruments, (iv) gains/(losses) on financial assets and liabilities, and (v) gains/(losses) on transactions with Group companies, associates and joint ventures are €1,305 million. Such revenues are distributed geographically as follows (i) 71% of the revenues are originated in Spain, (ii) 6% of the revenues are originated in the European Union (excluding Spain), and (iii) 23% of the revenues are originated outside the European Union.

The activities of the companies included in the banking and insurance portfolio have a significant impact in their regions; CaixaBank's income from ordinary activities is mostly generated in Spain and Portugal, BEA's principal markets are Hong Kong and Mainland China, and Inbursa's principal market is Mexico.

The companies included in the industrial and service portfolio, except for the interest in Suez, are Spanish companies which operate nationally and internationally.

In particular, outside of Spain, Gas Natural's activities are carried out mainly in Latin America (*Source: Gas Natural's 2017 results*). In relation to Abertis, its main market is France, followed by Spain, Brazil and Chile. In relation to Cellnex, although Spain continues to be its largest market, it has a strong presence in Italy after the acquisition of Galata closed in March 2015 (*Source: Abertis' and Cellnex's 2017 Results Presentations*).

As regards Suez's main markets, those are evenly split between France, Rest of Europe and Rest of the World (*Source: 2017 Suez Results*).

The real estate portfolio is mainly based in Spain.

4.4 Administration, Management and Supervision bodies

4.4.1 Members of Administration, Management and Supervision bodies

Board of Directors of CriteriaCaixa

At the date of registration of this Base Prospectus the members of the Board of Directors are:

Name	Position	Type of director	Executive/Non-executive
Isidre Fainé Casas	Chairman	Shareholders' representative (<i>dominical</i>)	Non-executive
Alejandro García-Bragado Dalmau	First Deputy Chairman	Shareholders' representative (<i>dominical</i>)	Non-executive
Javier Godó Muntañola	Second Deputy Chairman	Shareholders' representative (<i>dominical</i>)	Non-executive

José Antonio Asiáin Ayala	Director	Independent	Non-executive
Jean-Louis Chaussade	Director	Other External	Non-executive
Marcos Contreras Manrique	Director	Independent	Non-executive
Isabel Estapé Tous	Director	Independent	Non-executive
Francisco Javier García Sanz	Director	Independent	Non-executive
Eugenio Gay Montalvo	Director	Shareholders' representative (<i>dominical</i>)	Non-executive
Víctor Grífols Roura	Director	Independent	Non-executive
Josep-Delfí Guàrdia Canela	Director	Shareholders' representative (<i>dominical</i>)	Non-executive
Heinrich Haasis	Director	Independent	Non-executive
Francesc Homs Ferret	Director	Shareholders' representative (<i>dominical</i>)	Non-executive
Juan José López Burniol	Director	Shareholders' representative (<i>dominical</i>)	Non-executive
Josep Joan Simón Carreras	Director	Shareholders' representative (<i>dominical</i>)	Non-executive

The position, type of director and its condition as executive/non-executive of all the directors listed above fulfil with article 529 twelfth of the Spanish Companies Act.

The Issuer's registered office is in Plaza Weyler 3, 07001 Palma, Spain.

Audit and Control Committee of CriteriaCaixa

At the registration date of this Base Prospectus the members of the Audit and Control Committee are:

Chairwoman:

Isabel Estapé Tous

Directors:

Josep Joan Simón Carreras

Marcos Contreras Manrique

Appointments and Remuneration Committee of CriteriaCaixa

At the registration date of this Base Prospectus the members of the Appointments Committee are:

Chairwoman:

Isabel Estapé Tous

Directors:

José Antonio Asiáin Ayala

Juan José López Burniol

The Issuer's Audit and Control Committee and the Appointments and Remuneration Committee fulfils with the Ninth Additional Provision of the Spanish Companies Act.

Senior Management of CriteriaCaixa

At the registration date of this Base Prospectus the members of the Senior Management Committee are:

Managing Director

Marcelino Armenter Vidal

General Counsel

Javier José Paso Luna

Chief Financial Officer

Xavier Moragas Freixa

Managing Director of the Real Estate Business

Óscar Valentín Carpio Garijo

Deputy Secretary of the Board of Directors / Head of Legal Department¹

Adolfo Feijóo Rey

Head of Banking Investments

Jordi Morera Conde

Head of Infrastructures Investments

Estefanía Collados López

Head of Industrial Investments

Felipe Matías Caviedes

Head of the Research and Strategic Planning Department

Avelino Hernández Garfella

Head of Communications

Juan María Hernández Puértolas

Executive Committee

At the registration date of this Base Prospectus the Issuer has not created an Executive Committee (*Comisión Ejecutiva*).

Principal activities engaged in by those persons outside CriteriaCaixa

Isidro Fainé Casas:

Fundación Bancaria "la Caixa" (Trustee Chairman (*Patrono Presidente*))

Asociación Bancaria Confederación Española de Cajas de Ahorros (CECA) (Chairman)

Telefónica, S.A. (Deputy Chairman)

The Bank of East Asia (Director)

Gas Natural, SDG, S.A. (Honorary President)

Suez S.A. (Director)

European Savings Banks Group (Chairman)

World Savings Banks Institut (Deputy Chairman)

Fundación de las Cajas de Ahorros (Vocal)

Capítulo Español del Club de Roma (Chairman)

Confederación Española de Directivos y Ejecutivos (Chairman)

Alejandro García-Bragado Dalmau:

CaixaBank, S.A. (Director)

Gas Natural, SDG, S.A. (Director)

¹ At the registration date of this Base Prospectus, the Issuer has not appointed a secretary of the Board of Directors

Javier Godó Muntañola:

Fundación Bancaria "la Caixa" (Trustee (*Patrono*))
Grupo Godó de Comunicación, S.A. (Chairman and CEO)
Privatmedia, SL (Administrator)
Torre BCN 477, SL (Chairman)
Sociedad Económica Barcelonesa de Amigos País (Deputy Chairman)
Fundación Privada Conde de Barcelona (Deputy Chairman)

José Antonio Asiáin Ayala:

Bufete Asiáin, Jiménez & Arredondo S.R.C. (Joint and Several Director)

Jean-Louis Chaussade:

Suez S.A. (Chief Executive Officer)
Kaufman & Broad (Director)
Suez NWS Limited (Hong Kong) (Chairman)
Universite de Technologie de Compiègne (Chairman)
Suez Water Technologies & Solutions (Director)

Marcos Contreras Manrique:

Banco Europeo de Finanzas, S.A. (Deputy Chairman)
Marcos Consulting Management Firm, S.L. (Sole Director)
Contrener, S.L. (Sole Director)

Isabel Estapé Tous:

Triana 88, S.L. (Joint and Several Director)
Fundación Rojas Estapé (Trustee (*Patrono*))

Eugenio Gay Montalvo:

Fundación Bancaria "la Caixa" (Trustee (*Patrono*))
Gay-Rosell & Solano SLP (Chairman)

Víctor Grífols Roura:

Grífols, S.A. (Chairman and Managing Director)

Josep-Delfí Guàrdia Canela:

VidaCaixa, S.A. de Seguros y Reaseguros (Director)

Heinrich Haasis:

World Saving and Retail Banking Institute, Brüssel (Chairman)
Saving Banks Foundation for International Cooperation (Chairman)

Francesc Homs Ferret:

Fundación Bancaria "la Caixa" (Trustee (*Patrono*))
Inmo Criteria Caixa, S.A.U. (Deputy Chairman)
Ineo Corporate Barcelona, SL (Chairman)
Hosec Serveis Economics, SL (Director)
Corporación Metalúrgica Catalana, SL (Director)

Juan-José López Burniol:

Fundación Bancaria "la Caixa" (Trustee (*Patrono*))
CaixaBank, S.A. (Director)
Abertis Infraestructuras, S.A. (Director)
Icaria Iniciatives Socials, S.A.L. (Director)

Marcelino Armenter Vidal:

Caixa Capital Risc, S.G.E.I.C., S.A. (Executive Chairman)
Abertis Infraestructuras, S.A. (Director)
Caixa Innvierte Industria, S.C.R., S.A. (Executive Chairman)
Gas Natural, SDG, S.A. (Director)
Grupo Financiero Inbursa (Director)
Inmo Critería Caixa, S.A. (Director)
Mediterránea Beach and Golf Community, S.A.U. (Chairman)
Caixa Capital Biomed, S.C.R., S.A. (Sole Director, Natural Person Representative of the Sole Director Caixa Capital Risc, S.G.E.I.C., S.A.)
Caixa Capital Fondos S.C.R., S.A.U. (Sole Director, Natural Person Representative of the Sole Director Caixa Capital Risc, S.G.E.I.C., S.A.)
Caixa Capital Micro, S.C.R., S.A. (Sole Director, Natural Person Representative of the Sole Director Caixa Capital Risc, S.G.E.I.C., S.A.)
Caixa Capital Tic, S.C.R., S.A. (Sole Director, Natural Person Representative of the Sole Director Caixa Capital Risc, S.G.E.I.C., S.A.)
Criteria Venture Capital, S.A. (Sole Director, Natural Person Representative of the Sole Director Caixa Capital Risc, S.G.E.I.C., S.A.)

Javier José Paso Luna:

Inversiones Autopistas, S.A. (Director)

Óscar Valentín Carpio Garijo:

Caixa Capital Risc, S.G.E.I.C., S.A. (Director)
Inmo Critería Caixa, S.A. (Chief Executive Officer)
Saba Infraestructuras, S.A. (Director)
Els Arbres de la Tardor, S.L. (Director, Natural Person Representative of the Director Caixa Titol, S.A.)
Servihabitat Alquiler II, S.L.U. (Sole Director, Natural Person Representative of the Director Critería Caixa, S.A.U.)
Servihabitat Alquiler, S.L. (Sole Director, Natural Person Representative of the Director Caixa Titol, S.A.U.)
Creápolis, Parc de la Creativitat, S.L. (Director, Natural Person Representative of the Director Caixa Emprendedor XXI, S.A.)

Xavier Moragas Freixa:

Inversiones Autopistas, S.L. (Chairman)
Caixa Assistance, S.A. (Sole Director)
Caixa Titol, S.A. (Sole Director)
Club Caixa I, S.A. (Sole Director)
Caixa Podium I, S.A. (Sole Director, Natural Person Representative of the Director Critería Caixa, S.A.U.)
Els Arbres de la Tardor, S.L. (Director, Natural Person Representative of the Director Caixa Assistance, S.A.)
GrupCaixa, S.A. (Sole Director, Natural Person Representative of the Director Critería Caixa, S.A.U.)
Inversiones Valencia Capital, S.A.U. (Director, Natural Person Representative of the Director Inversiones Corporativas Digitales, S.L.)

Estefanía Collados López:

Inversiones Autopistas, S.A. (Director)
Saba Infraestructuras, S.A. (Director)

Adolfo Feijóo Rey:

Criteria Caixa, S.A.U. (Deputy Secretary - non Director-)
Mediterránea Beach and Golf Community, S.A.U. (Secretary –non Director-)

Felipe Matías Caviedes:

Caixa Innvierte Industria, S.C.R., S.A. (Director)
Inversiones Valencia Capital, S.A.U. (Director, Natural Person Representative of the Director Sercapgu, S.L.U.)
Plásticos Compuestos, S.A. (Director, Natural Person Representative of the Director Caixa Innvierte Industria, S.C.R., S.A.)
Scutum Logistics, S.L. (Director, Natural Person Representative of the Director Caixa Innvierte Industria, S.C.R., S.A.)

Jordi Morera Conde:

Grupo Financiero Inbursa (Alternate Director)
Fundació Victoria de los Angeles (Trustee)

Juan María Hernández Puértolas:

Baluwo Financial Services, S.L. (Director)

There are no other administrative, management and supervisory bodies.

4.4.2 *Conflicts of interests of the administration, management and supervision bodies*

Conflicts of interest

Article 229.3 of the Spanish Companies Act, amended by Law 31/2014 of 3 December modifying the Spanish Companies Act to improve corporate governance, in force since 24 December 2014, introduces, among other duties applicable to directors, the duty to report to the Board of Directors any situation of conflict of interest, direct or indirect, incurred by each of the Directors or related parties in respect of CriteriaCaixa.

Francisco Javier García Sanz reported that, given his status as member of the Supervisory Board of Hochtief AG and the later's interest in acquiring, directly or indirectly, Abertis (an investee of Criteria), he excused himself from participating in all meetings of the Board of Directors of Criteria at which this matter was deliberated, reported or decided. Mr. García Sanz also reported to Criteria that he excused himself from all meetings of the Supervisory Board of Hochtief AG at which this matter was deliberated, reported or decided.

For these purposes, the rest of the directors have reported that they had no conflict of interest in 2017.

The Issuer has an Internal Code of Conduct in force which complies with the Spanish Royal Legislative Decree 4/2015, of 23 October, which approved the restated text of the Securities Market Act and which has been published in the CNMV's website.

4.5 Main shareholders

CriteriaCaixa is a wholly-owned subsidiary of "la Caixa" Banking Foundation.

4.5.1 *Description of the relationship between the "la Caixa" Banking Foundation, Criteria and CaixaBank*

As a result of its transformation into a banking foundation, and in accordance with the provisions of the Savings Banks and Banking Foundations Law and with the commitments assumed by "la Caixa" Banking Foundation to comply with the conditions approved on 3 March 2016 and notified on 16 March 2016 by the Supervisory Board of the European Central Bank for deconsolidation for prudential purposes between Criteria and CaixaBank, on 18 May 2017, "la Caixa" Banking Foundation's Board of Trustees (*Patronato*) approved a new protocol for managing its ownership interest in CaixaBank which primarily regulates the following aspects:

- The basic strategic lines governing "la Caixa" Banking Foundation's management of its stake in CaixaBank.
- Relations through Criteria between the Board of Trustees (*Patronato*) and CaixaBank's governing bodies.
- The general criteria governing transactions between "la Caixa" Banking Foundation and CaixaBank, and the mechanisms to be introduced to prevent potential conflicts of interest.
- The mechanisms to avoid the emergence of conflicts of interest.
- The basic criteria relating to the assignment and use of distinctive signs and domain names owned by "la Caixa" Banking Foundation by CaixaBank and the companies in its Group.
- The provision for "la Caixa" Banking Foundation to have a right of pre-emptive acquisition in the event of transfer by CaixaBank of Monte de Piedad, which it owns.
- The basic principles for a possible collaboration so that (a) CaixaBank may implement corporate social responsibility policies through "la Caixa" Banking Foundation, and, at the same time (b) "la Caixa" Banking Foundation may disseminate its welfare projects through the CaixaBank branch network, and where appropriate, through other material means.

- The flow of adequate information to allow "la Caixa" Banking Foundation, Criteria and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties with the Bank of Spain and other regulatory bodies.

Criteria's Board of Directors took note of this management protocol at its meeting on 25 May 2017.

The Bank of Spain approved the management protocol on 23 June 2017.

On 15 March 2018, the "la Caixa" Banking Foundation's Board of Trustees (*Patronato*) has ratified the aforementioned protocol and Criteria's Board of Directors has taken note of such ratification at its meeting held on the same date.

4.6 Financial information concerning the Issuer's assets and liabilities, financial position and profit and loss

4.6.1 Historical financial information

CriteriaCaixa's audited consolidated and stand alone annual accounts as at and for the years ended 31 December 2017 and 31 December 2016, prepared in accordance with International Financial Reporting Standards, as adopted by the EU (**IFRS-EU**), are incorporated by reference in this Prospectus (please see Section 3 (*Documents Incorporated by Reference*)).

The auditor of CriteriaCaixa has expressed an unqualified opinion on the consolidated and the standalone audited annual accounts of CriteriaCaixa as of and for each of the years ended 31 December 2017 and 2016.

The annual accounts, the management reports of the Issuer for the years 2017 and 2016 together with the corresponding auditor reports can be consulted during the term of validity of the Base Prospectus via the website of CriteriaCaixa in the webpage referred to above in Section 3 (*Documents Incorporated by Reference*).

This section provides key information on the financial situation of the Group in accordance with the figures extracted from the audited consolidated annual accounts for 2017 which include the audited consolidated figures 2017 and the unaudited consolidated and restated figures for 2016. Said 2016 figures have been restated so as to be comparable with the 2017 figures.

In this regard, and as provided in Section 4.1.4., as part of the deconsolidation of CaixaBank for prudential purposes, Criteria has taken steps during 2017 to fulfil all the ECB's conditions for prudential consolidation and therefore, the loss of control over this investee from an accounting perspective. The consolidated statement of profit and loss and the cash flow statements for 2016 has been restated to reflect the impact of classifying in the statement of profit and loss the business carried out by the CaixaBank Group as a discontinued operation, in application of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.

Moreover, in this regard, and as provided in Section 4.1.4, after the loss of control by CriteriaCaixa over CaixaBank, the nature of the Group's principal activities changed considerably and, consequently, also the format of its financial statements. In 2016, given that CriteriaCaixa was considered a mixed financial holding company and parent of a financial conglomerate, the Group's consolidated financial statements were drafted in the specific format for credit institutions on a liquidity basis. In turn, after said loss of control the Group's activities are no longer considered to be primarily banking activities. Therefore, the 2017 annual accounts have been prepared classifying its assets and liabilities as current and non-current. Consequently, as the presentation of items in the Group's consolidated financial statements has changed, comparative figures for 2016 have been adapted.

CONSOLIDATED BALANCE SHEET

at 31 December 2017 and 2016, in thousands of euros

CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

ASSETS	31/12/2017(*)	31/12/2016(**)
NON-CURRENT ASSETS		
Intangible assets	1,019,338	4,751,765
Property, plant and equipment	121,437	3,159,512
Investment properties	1,184,280	4,678,186
Investments in associates and joint ventures	18,158,383	15,273,708
Non-current financial assets	993,197	220,999,308
Financial assets designated at fair value through profit or loss	-	3,139,646
Held-to-maturity investments	-	7,271,902
Derivatives	-	3,059,635
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	134,586
Assets under insurance and reinsurance contracts	-	344,144
Deferred tax assets	1,052,035	10,817,284
Total non-current assets	22,528,670	273,629,676
CURRENT ASSETS		
Non-current assets held for sale	-	7,308,937
Inventories	1,636,850	1,669,227
Trade and other receivables	94,603	51,798,935
Financial assets held for trading	-	11,664,072
Held-to-maturity investments	-	1,034,000
Other current financial assets	171,074	814,447
Cash and cash equivalents	892,744	13,594,698
Total current assets	2,795,271	87,884,316
TOTAL ASSETS	25,323,941	361,513,992

(*) Audited financial statements

(**) Adapted for comparison purposes only. See section 4.6.1 of this Base Prospectus *Historical Financial Information* for an appropriate understanding of these restatements

CONSOLIDATED BALANCE SHEET

at 31 December 2017 and 2016, in thousands of euros

CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

EQUITY AND LIABILITIES	31/12/2017(*)	31/12/2016(**)
EQUITY:		
Capital, reserves and results	17,670,000	17,001,263
Share capital	1,834,166	1,834,166
Share premium	2,344,519	2,344,519
Reserves	12,115,787	11,801,022
Other shareholder contributions	16,800	16,800
Profit/(loss) attributable to the Group	1,458,728	1,004,756
Interim dividend paid	(100,000)	-
Valuation adjustments	(211,860)	291,605
Minority interests	503,243	13,434,129
Total equity	17,961,383	30,726,997
NON-CURRENT LIABILITIES		
Deferred income	32,464	33,422
Non-current provisions	146,753	4,879,646
Non-current financial liabilities	6,901,879	64,924,329
Fair value changes of the hedged items in portfolio hedge of interest	-	1,984,854
Financial liabilities designated at fair value through profit or loss	-	3,763,976
Liabilities under insurance contracts	-	45,803,579
Deferred tax liabilities	70,816	1,241,525
Total non-current liabilities	7,151,912	122,631,331
CURRENT LIABILITIES		
Current provisions	26,545	62,848
Liabilities associated with non-current assets held for sale	-	86,039
Current financial liabilities	81,184	205,186,949
Financial liabilities held for trading - short positions	-	897,739
Trade and other payables	99,948	111,401
Other current liabilities	2,969	1,810,688
Total current liabilities	210,646	208,155,664
TOTAL EQUITY AND LIABILITIES	25,323,941	361,513,992

(*) Audited financial statements

(**) Adapted for comparison purposes only. See section 4.6.1 of this Base Prospectus *Historical Financial Information* for an appropriate understanding of these restatements

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the years ended 31 December 2017 and 2016, in thousands of euros

CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

	31/12/2017(*)	31/12/2016 (**)
Sales and services	272,462	274,840
Share of profit/(loss) of entities accounted for using the equity method	865,553	678,319
Return on equity instruments	26,650	25,281
Gains/(losses) on financial assets and liabilities	311	567
Gains/(losses) on transactions with Group companies, joint ventures and associates	140,379	244,315
Change in inventories of finished products and work in progress	459	247
In-house work on non-current assets	257	-
Procurements	38,137	(65,834)
Other operating income	14,802	3,140
Staff expenses	(80,753)	(76,638)
Other operating expenses	(147,899)	(139,341)
Depreciation and amortisation	(90,675)	(95,326)
Changes in provisions	-	(32,816)
Impairment and gains/(losses) on disposal of non-current assets	6,016	(127,129)
Impairment of stakes in associates and joint ventures	(1,104)	-
Impairment losses on financial instruments	(2,408)	(4,432)
Negative goodwill recognised in profit or loss	6,443	-
Other gains and losses	245	(3,783)
NET OPERATING INCOME/(LOSS)	1,048,875	681,410
Financial income	3,778	5,691
Financial expenses	(172,558)	(245,808)
Change in fair value of financial instruments	10,856	(60,373)
NET FINANCIAL INCOME/(EXPENSE)	(157,924)	(300,490)
PROFIT/(LOSS) BEFORE TAX	890,951	380,920
Income tax	19,312	159,378
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	910,263	540,298
Profit/(loss) from discontinued operations	1,574,067	1,017,889
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	2,484,330	1,558,187
Attributable to minority interests (non-controlling interests)	1,025,602	553,431
From continuing operations	88,882	51,075
From discontinued operations	936,720	502,356
Attributable to owners of the Parent	1,458,728	1,004,756
From continuing operations	821,381	489,223
From discontinued operations	637,347	515,533

(*) Audited financial statements

(**) Restated and adapted for comparison purposes only. See section 4.6.1 of this Base Prospectus *Historical Financial Information* for an appropriate understanding of these restatements

4.6.2 Main variations of the consolidated financial statements which took place in 2017

A) *Nature of the investment in CaixaBank*

As a result of the steps taken by the Issuer and "la Caixa" Banking Foundation provided in Section 4.1.4 above for the prudential consolidation established by the ECB and as per International Financial Reporting Standard 10 (IFRS 10 Consolidated Financial Statements) (**IFRS 10**), which states that an investor controls an investee when it has power over it, the remaining stake in CaixaBank has been accounted using the equity method as of 31 December 2017. On applying IFRS 10, the Issuer has derecognised the assets and liabilities from CaixaBank in its consolidated financial statements and it has recognised the remaining stake held in CaixaBank calculated at its fair value when such control was lost (i.e. 26 September 2017).

On 26 September 2017 the Governing Council of the ECB informed CriteriaCaixa about its decision to stop supervising the Issuer as the Issuer had lost control over CaixaBank and the Issuer carried out the deconsolidation of CaixaBank on such date. Since CaixaBank is a listed company, its fair value as of 26 September 2017 equals its share price at such date (i.e. €4.120 per share). The Issuer has recognised a net revaluation of €54 million under *Profit/(loss) from discontinued operations* in the statement of profit or loss for the year as a consequence of accounting its CaixaBank's stake following CaixaBank's share price.

Additionally, as CaixaBank is classified as an associate company in accordance with IAS 28, the fair value of CaixaBank's stake was calculated as the Issuer's share of the net fair value of CaixaBank's identifiable assets and liabilities. A Purchase Price Allocation (PPA) was carried out and it was determined that the fair value of the CaixaBank group's assets and liabilities attributable to the Issuer totalled €9,864 million. As a consequence thereof, the Group recognised a positive amount equivalent to the negative difference arising on consolidation of €6 million under "*Negative goodwill recognised in profit or loss*" in the accompanying consolidated statement of profit or loss (before and after tax). The amortisation of identified intangible assets with a finite useful life is recognised with a charge to "*Share of profit/(loss) of entities accounted for using the equity method*" in the accompanying consolidated statement of profit or loss for 2017, totalling €44 million.

In this regard, the consolidated statement of profit or loss heading "Profit/(loss) from discontinued operations" also includes the consolidated results of the CaixaBank Group up to the date on which control was lost, totalling €1,517 million before minority interests (€582 million attributable to the Group).

On the other hand, as of 31 December 2016 the stake in CaixaBank was consolidated using the full consolidation method. As a consequence thereof, as of 31 December 2016, CriteriaCaixa consolidated financial statements integrated €346,287 million and €322,539 million assets and liabilities, respectively, related to CaixaBank, out of a total consolidated assets and liabilities amounting €361,514 million and €330,787 million, respectively (see Note 2.4 "Comparison of information and changes in perimeter" of CriteriaCaixa's consolidated audited annual accounts as at for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards, as adopted by the EU (**IFRS-EU**)) incorporated by reference in this Prospectus (please see Section 3 *Documents Incorporated by Reference*):

31/12/2016 (*)

(thousands of euros)	Total	Holding company	Banking
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	4,751,765	1,064,413	3,687,352
Property, plant and equipment	3,159,512	154,850	3,004,662
Investment properties	4,678,186	1,245,940	3,432,246
Investments in associates and joint ventures	15,273,708	8,856,397	6,417,311
Non-current financial assets	220,999,308	769,817	220,229,491
Financial assets designated at fair value through profit or loss	3,139,646	-	3,139,646
Held-to-maturity investments	7,271,902	-	7,271,902
Derivatives Hedge accounting	3,059,635	-	3,059,635
Fair value changes of the hedged items in portfolio hedge of interest rate risk	134,586	-	134,586
Assets under insurance and reinsurance contracts	344,144	-	344,144
Deferred tax assets	10,817,284	1,084,136	9,733,148
Total non-current assets	273,629,676	13,175,553	260,454,123
CURRENT ASSETS			
Non-current assets held for sale	7,308,937	904,077	6,404,860
Inventories	1,669,227	656,331	1,012,896
Trade and other receivables	51,798,935	123,809	51,675,126
Financial assets held for trading	11,664,072	-	11,664,072
Held-to-maturity investments	1,034,000	-	1,034,000
Other current financial assets	814,447	32,464	781,983
Cash and cash equivalents	13,594,698	334,741	13,259,957
Total current assets	87,884,316	2,051,422	85,832,894
TOTAL ASSETS	361,513,992	15,226,975	

As stated above, the consolidated statement of profit and loss for 2016 has been restated to reflect the impact of classifying in the statement of profit and loss the business carried out by the CaixaBank group as a discontinued operation, which amounted to €1,019 million before minority interests (€516 million attributable to the Group) in 2016.

(thousands of euros)	Total	Holding company	Banking
EQUITY			
Capital, reserves and results	17,001,263	-	-
Share capital	1,834,166	-	
Share premium	2,344,519	-	-
Reserves	11,801,022	-	-
Other shareholder contributions	16,800	-	-
Profit/(loss) attributable to the Group	1,004,756	-	-
Interim dividend paid	--	-	-
Valuation adjustments	291,605	-	-
Minority interest	13,434,129	-	-
Total equity	30,726,997	-	-
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income	33,422	33,422	-
Non-current provisions	4,879,646	143,575	4,736,071
Non-current financial liabilities	64,924,329	5,546,447	59,377,882
Fair value changes of the hedged items in portfolio hedge of interest	1,984,854	-	1,984,854
Financial liabilities designated at fair value through profit or loss	3,763,976	-	3,763,976
Liabilities under insurance contracts	45,803,579	-	45,803,579
Deferred tax liabilities	1,241,525	58,977	1,182,548
Total non-current liabilities	122,631,331	5,782,421	116,848,910
CURRENT LIABILITIES			
Current provisions	62,848	62,848	-
Liabilities associated with non-current assets held for sale	86,039	-	86,039
Current financial liabilities	205,186,949	2,286,149	202,900,800
Financial liabilities held for trading – short positions	897,739	-	897,739
Trade and other payables	111,401	111,120	281
Other current liabilities	1,810,688	5,150	1,805,538
Total current liabilities	208,155,664	2,465,267	205,690,397
TOTAL LIABILITIES	361,513,992	8,247,688	322,539,307

(*) Adapted for comparison purposes only. See section 4.6.1 of this Base Prospectus *Historical Financial Information* for an appropriate understanding of this restatements

B) Non-current assets held for sale

At 31 December 2016, this balance sheet item included investment properties from purchases or foreclosures in payment of loans owned by Criteria and the CaixaBank Group. As mentioned before, investment properties from CaixaBank have been derecognised in 2017 due to the loss of control over it. Criteria has also reclassified investment properties it owns that derived from loan foreclosures to

Inventories, having determined that they no longer meet the conditions established in IFRS 5 to be recognised as non-current assets held for sale.

C) Total equity

At 31 December 2017, total equity has decreased by €12,766 million basically due to the derecognition of Minority interest related to CaixaBank.

D) Non-current and current financial liabilities

The balance of these headings of the consolidated balance sheet at 31 December 2017 and 2016 is broken down as follows:

	Thousands of euros			
	31/12/2017		31/12/2016	
	Non-	Current	Non-	Current
Interest-bearing loans and borrowings and bonds and other marketable debt securities	6,798,795	65,196	5,451,773	2,272,472
Debt securities from CaixaBank	-	-	23,161,014	4,547,000
Other financial liabilities	69,864	15,988	533,044	2,397,059
Financial liabilities held for trading –	22,784	-	19,579	9,394,559
Derivatives - Hedge accounting	10,436	-	632,434	1,618
Deposits – banking business	-	-	35,126,485	186,574,241
Total	6,901,879	81,184	64,924,329	205,186,949

At 31 December 2016, *Non-current and current financial liabilities* included €59,378 million and €202,901 million, respectively, related to CaixaBank business. Due to the loss of control over CaixaBank these liabilities have been derecognised in the balance sheet at 31 December 2017.

Bonds and other marketable debt securities

Senior unsecured bonds

On 3 May 2017, Criteria issued senior unsecured bonds, for a total nominal amount of €750 million, the price of which was 99.892%, with a maturity of six years and paying a fixed coupon of 1.500%. The proceeds were mostly used to carry out the partial or full early repayment of certain bilateral loans, for a total amount of €625 million and maturities between 2019 and 2021, with the objective of reducing financial expenses and extending debt maturities.

Furthermore, at 31 December 2017, this heading included two other issuances of unsecured plain vanilla senior bonds carried out in 2014 and 2015, both for a nominal amount of €1,000 million each and with maturities of five and seven years, respectively. The issue price was 99.577% and 99.974%, with coupons of 2.375% and 1.625%, respectively.

Subordinated Debt

On 31 January 2017, the €1,505 million subordinated debt issuance matured, and Criteria redeemed these bonds at that date. This issuance earned an interest rate of 7.50%.

Exchangeable bonds

In November 2013, "la Caixa" issued bonds on the Irish stock exchange for a total nominal amount of €750 million, exchangeable for 164.8 million CaixaBank shares, with a maturity date of 25 November 2017, except in the event of exchange or early redemption.

The bonds bore a fixed annual interest rate of 1%, payable six-monthly in arrears. The price of the shares used in the exchange was set at €4.55, representing a premium of 30% over the share price at the issue date.

At the maturity date, the issuance was fully redeemed in cash by Criteria.

Interest-bearing loans and borrowings

This heading comprises loans granted to CriteriaCaixa and totalling a nominal amount of €3,445 million. These loans are arranged with eighteen financial institutions, of which twelve are Spanish, two are from the euro area, three are from the United Kingdom and one is from the United States. They mature between 2019 and 2024.

It also includes two facilities granted to Saba Infraestructuras Group subsidiaries for a total nominal amount of €589 million. At 31 December 2017, €527 million had been drawn down under these facilities.

In 2017, Criteria entered into various bilateral loan agreements with financial institutions for a total sum of €695 million, maturing between three and five years (2020 and 2022).

On 10 February 2017, these loans were used in part to repay a €550 million loan with CaixaBank, S.A., maturing on 30 September 2022 so as to meet the intragroup financing requirements with CaixaBank prescribed by the ECB in order to successfully bring about the prudential deconsolidation of both entities.

Payable to associates

At 31 December 2017, the Group had €114 million mortgage loans with CaixaBank.

4.6.3 Age of latest financial information

The most recent audited financial information included in this Base Prospectus corresponds to the fiscal year ended on 31 December 2017. Consequently, this information has been prepared within 18 months of the date of registration of this Base Prospectus.

4.7 Legal and arbitration proceedings

Certain lawsuits and proceedings were on-going involving the CriteriaCaixa Group and arising from the ordinary course of its operations in the previous twelve months prior to the date of this Base Prospectus.

As at the date of this Base Prospectus, the Group companies are subject to claims. Therefore, they are party to certain legal proceedings arising from the normal course of their business, including claims in connection with real estate activities, relationships with employees and other commercial or tax matters. Accordingly, the outcome of court proceedings must be considered uncertain.

Based on available information, the Group considers that at 31 December 2017 and 2016, it had reliably estimated the obligations arising from each proceeding and had recognized, where appropriate, sufficient provisions to reasonably cover the liabilities that may arise as a result of these tax and legal situations. It also considers that any responsibility arising from these procedures will not, as a whole, have a material adverse effect on the Group's businesses, financial position or results of operations.

The provision covering obligations that may arise from various ongoing legal proceedings amount to €11.5 million, the individual amounts of which are not material. Given the nature of these obligations, the expected timing of outflows of resources embodying economic benefits, should they arise, is unknown.

CriteriaCaixa's management considers that the provision under "Provisions for pending legal issues and tax litigation" and "Ongoing legal proceedings" in the balance sheet is sufficient to cover CriteriaCaixa group's contingent liabilities.

The CriteriaCaixa Group's legal advisers and directors consider that the outcome of the lawsuits and proceedings of the previous 12 months prior to the date of this Base Prospectus will not have significant effects on the Issuer and/or the Group's financial position or profitability.

4.8 Significant change in the Issuer's financial position

No material change has occurred that might affect CriteriaCaixa's individual or consolidated financial position or solvency between the last audited financial information, which relates to the year ended 31 December 2017, and the date of this Base Prospectus.

4.9 Material contracts

There are no material contracts entered into outside the ordinary course of business by the Group which could result in the Issuer being under an obligation or entitlement that adversely affects the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

4.10 Dividends paid to the sole shareholder

On 19 January 2017, 18 May 2017 and 6 July 2017 the sole shareholder of the Issuer decided to make three dividend distributions with a charge to *Other Reserves* for a total amount of €300 million (€100 million each dividend distribution). These amounts were paid on 23 January 2017, 22 May 2017 and 27 July 2017.

On 19 October 2017, the Issuer's Board of Directors approved the distribution of an interim dividend of €75 million against the profits of 2017 which was paid to the sole shareholder of the Issuer on 2 November 2017.

On 14 December 2017, the Issuer's Board of Directors approved the distribution of a second interim dividend of €25 million against the profits of 2017, which was paid to the sole shareholder of the Issuer on 18 December 2017.

In 2017, the Issuer distributed an aggregate total amount of €400 million.

The sole shareholder agreed at its meeting of 25 January 2018, the distribution of a dividend with a charge to Other reserves, of €100 million. This amount was paid on 29 January 2018.

5. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING. TERMS AND CONDITIONS OF THE NOTES.

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be applicable to the Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms.

Criteria Caixa, S.A., Sociedad Unipersonal (the **Issuer** or **CriteriaCaixa**) has established a programme (the **Programme**) for the issuance of up to €3,000,000,000 in aggregate principal amount of notes (the **Notes**) (i.e. the maximum aggregate principal amount of Notes outstanding at any time under the Programme will not exceed €3,000,000,000 (or the equivalent in other currencies at the date of issue)) in accordance with the threshold authorised by CriteriaCaixa's Board of Directors' resolution passed on 15 March 2018 on the basis of the authorisation granted by a decision of the sole shareholder of the Issuer taken on 15 March 2018. Notes issued pursuant to the Programme will be in dematerialised, book-entry form (*anotaciones en cuenta*).

The Notes have the benefit of an English law governed deed of covenant (the **Deed of Covenant**) executed by the Issuer on the date hereof to which these terms and conditions (the **Conditions**) will be affixed. In the Deed of Covenant, the Issuer has covenanted in favour of each Holder (as defined below) that it will duly perform and comply with the obligations expressed to be undertaken by it in these Terms and Conditions (the **Conditions**). The benefit of the Deed of Covenant will not imply that the Notes benefit from a security interest or that they have a higher ranking than other unsecured and unsubordinated obligations of the Issuer. Copies of the Deed of Covenant are available for inspection during normal business hours at the specified office of the corresponding Paying Agent (as defined below) indicated in the applicable Final Terms. A certified copy of this Deed of Covenant may be obtained by any Holder from the Commissioner at its specified office at the expense of such Holder.

The Notes are also the subject of a paying agency agreement dated the date hereof (the **Agency Agreement**) between the Issuer and CaixaBank, S.A. as agent bank (the **Paying Agent**, which expression includes any successor agent appointed from time to time in connection with the Notes).

Notes issued under the Programme are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is the subject of Final Terms (the **Final Terms**) which complete these terms and conditions (the **Conditions**). All references to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms will be available for viewing on www.cnmv.es together with this Base Prospectus and any supplement to it. The Final Terms will be published in the same terms as the publication of this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. According to the legislation in force, the Notes will grant no present and/or future voting and other non-financial rights in CriteriaCaixa. The investor's economic and financial rights associated to the acquisition and holding of Notes will be those resulting from the interest rate, yield and redemption amount conditions as set out in the respective Final Terms and in Conditions 5 (*Interest*), 6 (*Payments*) and 7 (*Redemption and purchase*) below.

1 FORM, SPECIFIED DENOMINATION AND TITLE

1.1 *Form and denomination*

The Notes will be issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in the aggregate nominal amount (the **Aggregate Nominal Amount**), specified denomination (the **Specified Denomination**) and specified currency (the **Specified Currency**) shown in the relevant Final Terms provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

1.2 *Registration, clearing and settlement*

The Notes will be registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal (**Iberclear**) as managing entity of the central registry of the Spanish clearance and settlement system (the **Spanish Central Registry**) with its registered office at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account

with Iberclear may hold the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme, Luxembourg (**Clearstream Luxembourg**) with Iberclear. Iberclear will manage the settlement and clearing of the Notes, notwithstanding the Issuer's commitment to assist, when appropriate, on the clearing and settlement of the Notes through Euroclear and Clearstream Luxembourg.

The information concerning the International Securities Identification Number Code of the Notes (the **ISIN Code**) will be stated in the Final Terms.

1.3 Title and transfer

Title to the Notes will be evidenced by book-entries and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the **Iberclear Members**) as being the holder of the Notes shall be considered the holder of the principal amount of the Notes recorded therein. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and **Noteholder** shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Notes.

One or more certificates (each, a **Certificate**) attesting to the relevant Noteholder's holding of the Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself an Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member's or, as the case may be, Iberclear's procedures) to such Holder upon such Holder's request.

The Notes are issued without any restrictions on their free transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and / or Iberclear itself, as applicable. Each Holder will be treated as the legitimate owner (*titular legítimo*) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

2 ISSUE AND MATURITY DATE

The Notes will be issued and will mature on the respective date set forth in the relevant Final Terms (the **Issue Date** and the **Maturity Date**, respectively).

3 LISTING, ADMISSION TO TRADING AND STATUS OF THE NOTES

Unless another listing period is stated in the applicable Final Terms, the Issuer undertakes to make or cause to be made an application on its behalf for the Notes to be admitted to listing and admitted to trading on AIAF within 30 days after the Issue Date. The Issuer may also apply for admission to listing and trading of the Notes on other European regulated markets.

The Notes constitute (subject to the provisions of Condition 4 (*Negative Pledge*)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all time rank *pari passu* and without any preference among themselves except for any applicable legal and statutory exceptions. Upon insolvency of the Issuer, the obligations of the Issuer under the Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of Act 22/2003 (*Ley Concursal*) dated 9 July 2003 (the **Insolvency Act**) or equivalent legal provisions which replace it in the future).

In the event of insolvency (*concurso*) of the Issuer, under the Insolvency Act, claims relating to the Notes (which are not subordinated pursuant to article 92 of the Insolvency Act) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Act. Ordinary credits rank junior to credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank senior to subordinated credits and the rights of shareholders.

Pursuant to article 59 of the Insolvency Act, the accrual of interest shall be suspended as from the date of declaration of the insolvency of the Issuer. Interest on the Notes accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Insolvency Act.

4 NEGATIVE PLEDGE

So long as any Notes remain outstanding, the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) (other than any Permitted Security Interest), upon the whole or any part of its undertakings, assets, property or revenues (including uncalled capital), present or future, to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto granting to the Notes (i) the same security as is created or outstanding to secure any such Relevant Indebtedness, guarantee or indemnity, or (ii) such other security as shall be approved by the Syndicate of Noteholders.

In these Conditions:

Permitted Security Interest means:

- (i) a Security Interest arising by operation of law; or
- (ii) any Security Interest which secures any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness which exists on any asset or undertaking of the Issuer which is acquired after the Issue Date of the Notes, provided that: (a) such Security Interest existed at the date of such acquisition; (b) such Security Interest was not created in contemplation of such acquisition; and (c) the amount thereby secured has not been increased in contemplation of, or since the date of, such acquisition, and any Security Interest over the same undertaking or asset which is given for the purpose of, and to the extent of, the refinancing of any such Relevant Indebtedness; and

Relevant Indebtedness means any obligation (whether present or future, actual or contingent) in the form of or represented by any bonds, notes, debentures, loan stock or other securities provided that any of the aforementioned obligations are listed on or have the capacity of being admitted by any listing authority to listing on, are quoted on, or are ordinarily dealt in or on, any stock exchange, or other securities market (for which purpose any such bonds, notes, debentures, loan stock or other securities shall be deemed not to be capable of being so admitted, quoted, listed or ordinarily dealt in if the terms of the issue thereof expressly so provide).

5 INTEREST

5.1 *Interest on Fixed Rate Notes*

This Condition 5.1 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable (the **Fixed Rate Notes**).

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable annually in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5.6.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and, in the case of the Broken Amount, will be payable on the applicable Interest Payment Date(s). If the case may be, the applicable Final Terms of the Fixed Rate Notes will indicate the yield of the Notes.

5.2 *Interest on Floating Rate Notes*

This Condition 5.2 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable (the **Floating Rate Notes**).

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5.6. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified as the Interest Period in the relevant Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any date referred to in these Conditions which is specified in the Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified in the Final Terms is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (a) such date shall be brought forward to the immediately preceding Business Day and (b) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms as being applicable. In any case, the Rate of Interest determined for any Interest Accrual Period according to either ISDA Determination or Screen Rate Determination shall be subject to a floor of zero to ensure that the Rate of Interest on any Interest Accrual Period for Floating Rate Notes is not negative.

(a) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (a), ISDA Rate for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms;

For the purposes of this sub-paragraph (a), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity, Reset Date and Swap Transaction have the meanings given to those terms in the ISDA Definitions.

(b) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be equal to the Screen Rate. For the purposes of this sub-paragraph (b), the Screen Rate, subject as provided below, shall be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

for the Reference Rate (being either LIBOR, EURIBOR or any other benchmark, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent and as specified in the applicable Final Terms. If five or more of such offered quotations are available on the Relevant Screen Page (as specified in the applicable Final Terms), the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (x) if the Relevant Screen Page is not available or, if sub paragraph (b)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (b)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (y) if paragraph (x) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m.

(Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

5.3 *Interest on Zero Coupon Notes*

This Condition 5.3 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable (the **Zero Coupon Notes**).

Where a Note the interest basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. The Day Count Fraction in relation to the Early Redemption Amount will be specified in the applicable Final Terms. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (calculated in accordance with Condition 7.3)).

5.4 *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in this Condition 5 (*Interest*)).

5.5 *Margin, Maximum/Minimum Interest Rates and Redemption Amounts, and Rounding*

- (i) If any Margin is specified in the Final Terms (either (a) generally, or (b) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (a), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (b), calculated in accordance with Condition 5.2 above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin subject always to the next paragraph.
- (ii) If any Maximum or Minimum Interest Rate or Redemption Amount is specified in the Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (b) all figures will be rounded to seven significant figures (with halves being rounded up) and (c) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes unit means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means 0.01 Euro.

5.6 *Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest applied to the Calculation Amount specified

in the relevant Final Terms, multiplied by the relevant Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

5.7 Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation, determine the Rate of Interest and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Issuer, each of the Paying Agents, the Holders, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of a Rate of Interest, the Interest Amount, the Interest Payment Date, the Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount, or (ii) in all other cases, as soon as practicable but in no event later than the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amounts so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount, the Early Redemption Amount and the Optional Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

5.8 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the **Calculation Period**):

- (i) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **Actual/365 (Fixed)** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **Actual/360** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

- (iv) if **30/360**, **360/360** or **Bond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if **30E/360** or **Eurobond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(vii) if **Actual/Actual (ICMA)** is specified in the relevant Final Terms:

(a) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in such Determination Period and (B) the number of Determination Periods in any year;

(b) where the Calculation Period is longer than one Determination Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (I) the actual number of days in such Determination Period and (II) the number of Determination Periods in any period of one year; and

(2) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (I) the actual number of days in such Determination Period and (II) the number of Determination Periods in any period of one year.

Determination Period means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

Determination Date means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

Euro-zone means the member states of the European Union that are participating in the third stage of European Monetary Union.

Interest Accrual Period means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Period Date and each successive period beginning on an Interest Period Date and ending on, but excluding, the next succeeding Interest Period Date.

Interest Amount means the amount of interest payable and, in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

Interest Commencement Date means the date of issue of the Notes (the Issue Date) or such other date as may be specified in the relevant Final Terms.

Interest Determination Date means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is sterling or (ii) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the specified currency is not sterling, or (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the specified currency is euro.

Interest Period means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.

Interest Period Date means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

ISDA Definitions means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

Rate of Interest means the rate of interest payable from time to time in respect of the Notes and which is either specified, or calculated in accordance with the provisions, in the relevant Final Terms.

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

Reference Rate means the rate specified as such in the relevant Final Terms.

Business Day means:

- (i) a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as Financial Centres in the relevant Final Terms; and
- (ii) if the currency of payment is euro, any day which is a TARGET2 Business Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre (as specified in the applicable Final Terms); or
- (iii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Relevant Date means the date on which any payment of principal or interest in respect of the Notes first becomes due, except that, if the full amount of the money payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such money having been so received and notice to that effect is duly given to the Noteholders in accordance with Condition 13.1 (*Notices*).

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms.

Specified Currency means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

TARGET2 Business Day means a day on which the TARGET2 System is operating.

TARGET2 System means the Trans European Automated Real Time Gross Settlement Express Transfer system (TARGET2) which was launched on 19 November 2007 or any successor thereto.

5.9 Change of Interest Basis

If Changes of Interest Basis is specified in the relevant Final Terms as being applicable, the Final Terms will indicate the relevant Interest Periods to which the Fixed Rate Note provisions, Floating Rate Note provisions and/or Zero Coupon Note provisions shall apply.

5.10 Calculation Agent

The Issuer will procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 PAYMENTS

6.1 *Principal and Interest*

Payments in respect of the Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET2 System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Business Day on which the payment of principal or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer, the Paying Agent or, if applicable, any of the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Notes.

6.2 *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

6.3 *Payment Day*

If the date for payment of any amount in respect of any Note is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to further interest or other payment in respect of such delay provided that, if such following Business Day falls in the next succeeding calendar month, the date for payment will be advanced to the Business Day immediately preceding such date for payment.

7 REDEMPTION AND PURCHASE

7.1 *Redemption at maturity*

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided in the relevant Final Terms, is its principal amount) on the Maturity Date specified in the Final Terms. In any case, Notes shall not be redeemed below par.

7.2 *Redemption for tax reasons*

Provided that Noteholders do not exercise their right, as stated hereunder in this Condition 7.2, to elect that its Notes shall not be redeemed for tax reasons, the Notes may be redeemed at the option of the Issuer in whole, but not in part, if required, at any time on giving not less than 30 and not more than 60 days of notice (the **Tax Redemption Notice**) to the Paying Agent and, in accordance with Condition 13 (*Notices*), to the Noteholders (which notice shall be irrevocable) on the date specified in the Tax Redemption Notice (the **Tax Redemption Date**), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*), in each case as a result of any change in, or amendment to, the laws or regulations of Spain or any political subdivision or any authority or agency thereof or therein, as defined in Condition 8 (*Taxation*), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Agreement Date; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

At least 15 days prior to the publication of a Tax Redemption Notice, the Issuer shall deliver to the Commissioner, as defined in Condition 12 (*Syndicate of Noteholders and Modification*), a certificate signed by any director or any duly authorized officer of the Issuer or any other person or persons notified in writing to the Commissioner and signed by any such director or duly authorized officer as being authorised to sign the aforementioned certificate which will state that the Issuer is entitled to effect such

redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

If the Issuer gives a notice of redemption pursuant to this Condition 7.2 (*Redemption and Purchase - Redemption for tax reasons*) each Noteholder will have the right to elect that its Notes shall not be redeemed and that the provisions of Condition 8 (*Taxation*) shall not apply in respect of any payment to be made on such Notes which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 8 (*Taxation*) and payment of all amounts on such Notes shall be made subject to the deduction or withholding of any Spanish taxation required to be withheld or deducted. To exercise such right, the relevant Holder or Noteholder of the relevant Note must complete, sign and deposit at the specified office of the Paying Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of the Paying Agent on or before the day falling 19 days prior to the Tax Redemption Date.

Notes redeemed pursuant to this Condition 7.2 (*Redemption and Purchase - Redemption for tax reasons*) will be redeemed at their Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 *Early Redemption of Zero Coupon Notes*

- (i) The Early Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date upon redemption of such Note pursuant to Condition 7.4, Condition 7.5 and Condition 7.6 or upon it becoming due and payable upon the occurrence of any event of default as established in the applicable Final Terms of the Notes, shall be the **Amortised Face Amount** (calculated as provided below) of such Note.
- (ii) Subject to the provisions of sub-paragraph (iii) below the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their Issue Price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant Condition 7.4, Condition 7.5 and Condition 7.6 or upon it becoming due and payable upon the occurrence of any event of default as established in the applicable Final Terms of the Notes, is not paid when due, the Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (both before and after judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5.4.

7.4 *Redemption at the option of the Issuer*

If Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at the Optional Redemption Amount together with interest accrued (if any) to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

The aforementioned notice will be addressed to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the **CNMV**) as a price-sensitive information (*hecho relevante*) notice, the Commissioner, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, Iberclear and the Noteholder, the latter exclusively under the Issuer's sole discretion and in accordance with applicable law, through the publication of the relevant notice in the corresponding official bulletins of the listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation. Such notice must include the following information:

- (i) The Tranche of the Notes subject to redemption;
- (ii) the aggregate nominal amount that will be redeemed; and
- (iii) the Optional Redemption Amount.

Such notice shall be irrevocable and will bind the Issuer according to the terms contained thereof.

7.5 Redemption at the option of the Noteholder

If Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any such Note, upon the Holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Dates at its Optional Redemption Amount together with interest accrued (if any) to the date fixed for redemption.

To exercise such option the Holder must, within the notice period, deliver a duly completed option exercise notice (**Exercise Notice**) in the form obtainable from the Paying Agent at its registered office which will, in turn, forward the Exercise Notice to the Issuer. The Paying Agent shall deliver a duly completed notice receipt to the relevant Holder. No such notice, once delivered in accordance with this Condition 7.5 may be withdrawn.

7.6 Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in 7.3(i)), upon it becoming due and payable upon the occurrence of any Event of Default as established in the applicable Final Terms of the Notes, shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms.

7.7 Purchases

The Issuer may at any time purchase the Notes at any price in the open market or otherwise. The Notes may be held, resold or, at the option of the Issuer, cancelled.

7.8 Cancellation

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.7 (*Purchases*) above cannot be resold.

8 TAXATION

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Spain or any political subdivision or any authority thereof or therein having power to tax (**Tax Jurisdiction**) unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Notes:

- (i) to, or to a third party on behalf of, a Holder or Noteholder who is liable for such taxes or duties in respect of such Notes by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note;

- (ii) to a Holder or Noteholder who is (or is deemed as) an entity or individual resident for tax purposes in a Tax Jurisdiction or acts (or is deemed as acting) with respect of the Notes through a permanent establishment located in a Tax Jurisdiction; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the Holder or Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day, as defined in Condition 6.3 (*Payments – Payment Day*); or
- (iv) to, or to a third party on behalf of, a Holder or Noteholder in respect of whose Notes the Issuer (or an agent acting on behalf of the Issuer) has not received information as may be necessary to allow payments on such Note to be made free and clear of withholding tax or deduction on account of any taxes imposed by a Tax Jurisdiction, including when the Issuer (or an agent acting on behalf of the Issuer) does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented; or
- (v) where taxes are imposed by a Tax Jurisdiction that are (a) payable otherwise than by withholding from a payment under, or with respect to, the Notes; or (b) any estate, inheritance, gift, sales, transfer, personal property or similar taxes imposed by a Tax Jurisdiction; or (c) solely due to the appointment by an investor in the Notes, or any person through which an investor holds Notes, of a custodian, collection agent, person or entity acting on behalf of the investor of the Notes or similar person in relation to such Notes; or
- (vi) any combination of items (i) through (v) above.

Notwithstanding any other provision of this Base Prospectus, no additional amounts shall be payable with respect to any Notes if any withholding or deduction is required to be made from a payment from the Notes pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) (the **Code**), any current or future regulations or official interpretations thereof, any law or regulations adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to section 1471(b) of the Code.

9 PRESCRIPTION

Claims in respect of the principal amount or interest on Notes will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date, as defined in Condition 5 (Interest).

Claims in respect of any other amounts payable in respect of the Notes will become void unless made within 10 years following the due date for payment thereof.

10 EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) has occurred and is continuing:

- (A) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or
- (B) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or as the case may be, the Agency Agreement, or as the case may be, the Deed of Covenant, and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or
- (C) **Cross-default of Issuer or Relevant Subsidiary:**

- (i) any Indebtedness for Borrowed Money of the Issuer or any of its Relevant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or
- (ii) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the Relevant Subsidiaries or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness for Borrowed Money,

provided that the amount of Indebtedness for Borrowed Money referred to in sub-paragraph (i) and/or sub-paragraph (ii) above individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies); or

- (D) **Winding up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Relevant Subsidiary and such order or resolution is not discharged or cancelled within 30 days, or the Issuer or any Relevant Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except (I) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation either (i) on terms previously approved by a resolution of the Syndicate of Noteholders or (ii) is on a solvent basis or (iii) where in the case of a reconstruction, amalgamation, reorganisation, merger or consolidation of the Issuer whereby the surviving entity effectively assumes the entire obligations of the Issuer under the Notes, (A) if immediately prior to such reconstruction, amalgamation, reorganisation, merger or consolidation the Issuer has a rating for long-term senior debt assigned by one or more rating agencies of Investment Grade, such surviving entity has a rating for long-term senior debt assigned by one or more rating agencies of Investment Grade; or (B), if immediately prior to such reconstruction, amalgamation, reorganisation, merger or consolidation the Issuer has a rating for long-term senior debt assigned by one or more rating agencies but no such rating is Investment Grade, such surviving entity has a rating equivalent to or higher than the long-term senior debt of the Issuer prior to such reconstruction, amalgamation, reorganisation, merger or consolidation, in each case except where there is a downgrading due to a change in the valuation methodology of the Issuer by such rating agency as a consequence of such reconstruction, amalgamation, reorganisation, merger or consolidation; or (II) where the Issuer is substituted according to Condition 15; or
- (E) **Enforcement and Insolvency proceedings:** (i) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against it or an order is made or a resolution is passed for the dissolution or winding up of the Issuer, and in respect of any of the Issuer's Relevant Subsidiaries, proceedings are initiated against any such Relevant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (unless the exception stated in the aforementioned Condition 10 (D) applies); or (ii) an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); or (iii) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); and in any case the event or events mentioned in this Condition 10 (E) is or are not discharged within 30 days; or
- (F) **Unsatisfied judgment:** one or more final judgment(s) or order(s) for the payment of any amount which individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Relevant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (G) **Security enforced:** any Security Interest created or assumed by the Issuer or any of its Relevant Subsidiaries becomes enforceable and any steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) provided that the Indebtedness for Borrowed Money to which such Security Interest

relates either individually or in aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies); or

- (H) **Arrangements with creditors:** the Issuer (or any of its Relevant Subsidiaries) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or
- (I) **Failure to take action etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes is not taken, fulfilled or done, save to the extent that any lack of such action, condition or thing would not be material in the context of the issue of, and performance of the Issuer's obligations under the Notes;
- (J) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

then (i) the Commissioner may, acting upon a resolution of the Syndicate of Noteholders, in respect of all the Notes, or (ii) unless there has been a resolution to the contrary by the Syndicate of Noteholders (which resolution shall be binding on all Noteholders), any Noteholder in respect of the Notes held by such Noteholder, declare such Notes immediately due and payable whereupon the Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their principal amount, together with accrued interest, without further formality.

When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: **materially weaker** shall mean that (i) should the Issuer be rated solely by one credit rating agency, such credit rating agency modifies at least by three lower notches the ratings previously applied to the Issuer; and (ii) should the Issuer be rated by two or more credit rating agencies, at least two of such credit rating agencies modify at least by three lower notches the rating previously applied to the Issuer.

For the purpose of this Condition 10 (*Events of default*):

Days mean calendar days;

Indebtedness for Borrowed Money means any money borrowed, liabilities in respect of any acceptance credit, note or bill discounting facility, liabilities under any bonds, notes, debentures, loan stock, securities or other indebtedness by way of loan capital;

Investment Grade means a rating assigned by a credit ratings agency which is at least equal to, or better than, Baa3 (in the case of Moody's), BBB- (in the case of Fitch or S&P) or an equivalent rating awarded by another credit ratings agency;

Relevant Subsidiaries means at any time, a Subsidiary of the Issuer if the non-consolidated total assets and non-consolidated profits before tax of that Subsidiary equals or exceeds 10 per cent. of the consolidated total assets and of the consolidated profits before tax of the Issuer and weighted accordingly to the stake of Voting Rights held by the Issuer in that Subsidiary from time to time.

For this purpose:

- (a) subject to paragraph (b) below:
 - (i) the non-consolidated total assets and non-consolidated profits before tax of a Subsidiary of the Issuer will be determined from its latest non-consolidated financial statements; and
 - (ii) the consolidated total assets and consolidated profits before tax of the Issuer will be determined from the latest audited consolidated financial statements of the Issuer;
- (b) if an entity becomes a Subsidiary of the Issuer after the date on which the latest audited non-consolidated financial statements of the Issuer were prepared:

- (i) the non-consolidated total assets and non-consolidated profits before tax of that Subsidiary will be determined from its latest non-consolidated financial statements; and
 - (ii) the consolidated total assets and consolidated profits before tax of the Issuer will be determined from the latest audited consolidated financial statements of the Issuer, but adjusted to take account of such Subsidiary.
- (c) a Subsidiary which is or becomes a Relevant Subsidiary will remain a Relevant Subsidiary until the next audited consolidated financial statements of the Issuer show otherwise under paragraph (a) above;

Subsidiary means, in relation to an entity (the **first person**), any entity directly controlled by that first person where control is determined by: (i) holding the majority of the Voting Rights; (ii) having the power to appoint or dismiss the majority of the members of the governing body; (iii) being able to dispose, by virtue of agreements entered into with third parties, of the majority of the Voting Rights; and (iv) having employed its votes to appoint the majority of the members of the governing body who hold office at the moment when the consolidated accounts must be drawn up and during the two business years immediately preceding. Additionally, the Voting Rights of the controlling company shall be added to those it holds through other dependent companies, or through persons acting in its own name, but on account of the controlling company, or other dependent ones, or those with which it has made arrangements through any other person; and

Voting Rights means the right generally to vote at a general meeting of shareholders of the relevant entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

11 PAYING AGENT

The name of the initial Paying Agent and their initial specified offices are set out below. In any case, the corresponding Paying Agent as well as the Calculation Agent (if any) will be specified in the relevant Final Terms. The Issuer is entitled to vary or terminate the appointment with the Paying Agent, in its role of paying agent, and/or appoint additional or other paying agents (the **Paying Agents**) or Calculation Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) there will at all times be a Paying Agent;
- (ii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (iii) so long as the Notes are listed on any secondary market, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant secondary market.

Notice of any variation, termination, appointment or change regarding the Paying Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 12.1 (*Notices*).

In acting under the Agency Agreement and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders.

12 SYNDICATE OF NOTEHOLDERS AND MODIFICATION

12.1 Syndicate of Noteholders The Noteholders of the relevant Series shall meet in accordance with the regulations governing the Syndicate of Noteholders (the **Regulations**). The Regulations shall contain the rules governing the functioning of the Syndicate and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 18 (*Regulations of the Syndicate of Noteholders*).

A Commissioner will be appointed for each Syndicate. The name of the Commissioner and its initial specified offices shall be set out in the relevant Final Terms. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have agreed to: (i) the appointment of the Commissioner; and (ii) become a member of the Syndicate of Noteholders in respect of such Series of Notes.

Provisions for meetings of the Syndicate of Noteholders will be contained in the Regulations. Such provisions shall have effect as if incorporated herein.

The Issuer may, with the consent of the relevant Commissioner, but without the consent of the Noteholders of any Series amend these Conditions insofar as they may apply to such Notes to correct a manifest error or which amendments are of a formal minor or technical nature or to comply with mandatory provisions of law.

For the purposes of these Conditions:

- (i) **Commissioner** means the *comisario* as this term is defined under the Royal Decree Legislative 1/2010, of 2 July 2010, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*) (the **Spanish Companies Act**) of the Syndicate of Noteholders; and
- (ii) **Syndicate of Noteholders** means the *sindicato* as this term is described under the Spanish Companies Act.

12.2 *Notification to the Noteholders*

Any modification, waiver or authorisation in accordance with this Condition 12 (*Syndicate of Noteholders and Modification*) shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

13 NOTICES

13.1 *Notice to Noteholders*

Notices to the Noteholders will be published in the official bulletin of AIAF (*Boletín Diario de AIAF Mercado de Renta Fija*) and, where applicable, through the filing by the Issuer of a price-sensitive information notice (*comunicación de hecho relevante*) with the CNMV. If the Notes are also listed in other European regulated market, notices to Noteholders will be published in accordance with the requirements of such regulated market. Any such notice will be deemed to have been given on the date of the first publication. In addition, all notices to Noteholders shall also be made through Iberclear to their respective accountholders.

13.2 *Notice of a General Meeting of the Syndicate of Noteholders*

Notice of a general meeting of the Syndicate of Noteholders must be given in accordance with the Regulations (see Condition 12 (*Syndicate of Noteholders and Modification*)).

13.3 *Notice to Commissioners*

Copies of any notice given to any Noteholders will be also given to the Commissioner of the Syndicate of Noteholders.

14 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Holders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

15 SUBSTITUTION OF THE ISSUER

- (A) The Issuer (or any substitute thereof in accordance hereto, and any reference in this Condition to the Issuer shall include a reference to any substitute thereof in accordance hereto) may, with respect to any Series of Notes issued by it (for the purpose of this Condition 15, the **Relevant Notes**), without the further consent of the Noteholders, be replaced and substituted by: (a) a wholly owned Subsidiary (either directly or indirectly) of the Issuer; or (b) by the Issuer's sole shareholder Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, la Caixa; as the principal debtor in respect of the Notes and the Deed of Covenant (for the purpose of this Condition 15; the **Substitute Debtor**), provided that:

- (i) the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;
- (ii) the Substitute Debtor has entered into a deed poll and such other documents (for the purpose of this Condition 15; the **Documents**) as are necessary to give effect to the substitution and in which the Substitute Debtor has undertaken in favour of each Noteholder of the Notes to be bound by the Deed of Covenant and these Conditions and the provisions of the Agency Agreement as the principal debtor in respect of the Relevant Notes as if it were the original issuer of the Notes;
- (iii) the obligations of the Substitute Debtor under the Deed Poll and the Notes have been unconditionally and irrevocably guaranteed by the Issuer by means of a deed of guarantee (the **New Guarantee**);
- (iv) if the Substitute Debtor is resident for tax purposes in a territory (for the purpose of this Condition 15; the New Residence) other than that in which the Issuer prior to such substitution was resident for tax purposes (for the purpose of this Condition 15; the Former Residence), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking equivalent to that in Condition 8 (Taxation), with, where applicable, the substitution of references to the Former Residence with references to the New Residence. The Documents also contain a covenant by the Substitute Debtor and the Issuer to indemnify and hold harmless each Noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such Noteholder as a result of any substitution pursuant to this Condition 15 (*Substitution of the Issuer*) and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any

such tax or duty and which would not have been so imposed had such substitution not been made);

- (v) the Documents contain a warranty and representation by the Substitute Debtor and the Issuer that (x) the Substitute Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the giving by the Issuer of the New Guarantee in respect of the obligations of the Substitute Debtor and for the performance by each of the Substitute Debtors and the Issuer of their respective obligations under the Documents and that all such approvals and consents are in full force and effect and (y) the substitution complies with all applicable requirements established under the applicable laws;
 - (vi) each stock exchange on which the Relevant Notes are listed has, expressly or implicitly, confirmed that, following the proposed substitution of the Substitute Debtor, the Relevant Notes will continue to be listed on such stock exchange (or the Substitute Debtor is otherwise satisfied of the same);
 - (vii) a legal opinion shall have been delivered to the Commissioner (from whom copies will be available) from lawyers of recognised standing in the country of incorporation of the Substitute Debtor, confirming, as appropriate, that upon the substitution taking place the Relevant Notes are legal, valid and binding obligations of the Substitute Debtor enforceable in accordance with their terms;
 - (viii) a legal opinion shall have been delivered to the Commissioner (from whom copies will be available) from lawyers of recognised standing in England that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substitute Debtor) constitute legal, valid and binding obligations of the parties thereto under English law;
 - (ix) the Substitute Debtor has (1) a rating for long-term senior debt assigned by one of the rating agencies equivalent to or higher than the long-term senior debt of the Issuer prior to the substitution; or (2) either (I) the rating decreases by no more than three notches or (II) the rating decreases to a rating level that is equal to the rating of the Issuer on the Issue Date, whichever rating level in (I) or (II) is higher; and
 - (x) if applicable, the Substitute Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Notes and the Documents.
- (B) Upon the execution of the Documents and the delivery of the legal opinions, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, the Deed of Covenant and the Agency Agreement with the same effect as if the Substitute Debtor had been named as the principal debtor in place of the Issuer herein, and the Issuer shall, upon the execution of the Documents, be released from its obligations and liabilities under the Relevant Notes, the Deed of Covenant and the Agency Agreement.
- (C) After a substitution pursuant to Condition 15 (A) the Substitute Debtor may, without the further consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 15 (A) and 15 (B) shall apply, *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor.
- (D) After a substitution pursuant to Condition 15 (A) or 15 (C) any Substitute Debtor may, without the further consent of any Noteholder, reverse the substitution, *mutatis mutandis*.
- (E) The Documents shall be delivered to, and kept by, the Commissioner for so long as any Relevant Notes remain outstanding and for so long as any claim made against the Substitute Debtor by any Noteholder in relation to the Relevant Notes or the Documents shall not have been finally adjudicated or settled or discharged. Copies of the Documents will be available free of charge at the specified office of the Commissioner.

(F) Not later than 15 Business Days after the execution of the Documents, the Substitute Debtor shall give notice thereof to the Noteholders in accordance with Condition 13 (Notices).

16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17 GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 *Governing law*

The Notes and any non-contractual obligations arising out of or in connection with them are, subject as provided below, governed by, and shall be construed in accordance with, English law. Title to the Notes and transfer of the Notes as described in Condition 1.3 (*Title and transfer*), the status of the Notes as described in Condition 3 (*Listing, Admission to Trading and Status of the Notes*), the provisions of Condition 12 (*Syndicate of Noteholders and Modification*) relating to the appointment of the Commissioner and the Syndicate of Noteholders, the Regulations of the Syndicate of Noteholders, (a set of which is included in Condition 18 (*Regulations of the Syndicate of Noteholders*)) once incorporated in the relevant Final Terms and the Agency Agreement are governed by, and shall be construed in accordance with, Spanish law.

17.2 *Submission to jurisdiction*

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes (**Proceedings**) may be brought in such courts.

The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

This submission is made for the benefit of each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

17.3 *Appointment of Process Agent*

The Issuer appoints CaixaBank London at its registered office for the time being, currently at 63 St Mary Axe, London EC3A 8AA, United Kingdom (the **Process Agent**) as its agent for service of process in any Proceedings in England. Nothing herein or in the Agency Agreement shall affect the right to serve process in any other manner permitted by law.

18 REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

ESTATUTOS DEL SINDICATO DE BONISTAS

EMISIÓN DE BONOS SENIOR SIMPLES

En caso de discrepancia, la versión española prevalecerá

TÍTULO I: CONSTITUCIÓN, DENOMINACIÓN, OBJETO, DOMICILIO, DURACIÓN Y GOBIERNO DEL SINDICATO BONISTAS

Artículo 1.- Constitución. El Sindicato de Bonistas de la emisión de Bonos Senior Simples por importe de [●] de euros con vencimiento en [●] emitidos por Criteria Caixa, S.A., Sociedad Unipersonal (en adelante, respectivamente el “**Emisor**” y los

REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

ISSUE OF SENIOR UNSECURED NOTES

In case of discrepancy, the Spanish version shall prevail.

TITLE I: INCORPORATION, NAME, PURPOSE, ADDRESS, DURATION AND GOVERNANCE OF THE SYNDICATE OF NOTEHOLDERS

Article 1.- Incorporation The syndicate of noteholders of the issue of the €[●] Senior Unsecured Notes due [●] issued by Criteria Caixa, S.A., Sociedad Unipersonal (hereinafter, respectively, the “**Issuer**”

“Bonos”) quedará constituido una vez se suscriban y desembolsen los Bonos.

Este Sindicato se regirá por los presentes Estatutos y por el Texto Refundido de la Ley de Sociedades de Capital y demás disposiciones legales vigentes en cada momento.

Artículo 2.- Denominación. El Sindicato se denominará “Sindicato de Bonistas de la Emisión de Bonos Senior Simples con vencimiento en [●] de CriteriaCaixa”.

Artículo 3.- Objeto. El Sindicato de Bonistas tendrá por objeto la defensa de los legítimos intereses de los titulares de Bonos (los “Bonistas”) en relación con el Emisor, mediante el ejercicio de los derechos que se les reconoce en la ley por la que se rigen y en estos Estatutos.

Artículo 4.- Domicilio. El domicilio del Sindicato se fija en Palma (Palma de Mallorca), Plaza Weyler 3, 07001. La Asamblea General de Bonistas podrá, sin embargo, reunirse en cualquier otro lugar, siempre que así se exprese en la correspondiente convocatoria.

Artículo 5.- Duración. El Sindicato de Bonistas estará vigente hasta que se haya producido la amortización de todos los Bonos o su extinción por cualquier otro motivo.

Artículo 6.- Órganos del sindicato. El gobierno del Sindicato de Bonistas corresponderá:

- a) A la Asamblea General de Bonistas; y
- b) Al Comisario.

Título II: LA ASAMBLEA GENERAL DE BONISTAS

Artículo 7.- Naturaleza jurídica. La Asamblea General de Bonistas, debidamente convocada y constituida, es el órgano de expresión de la voluntad de los Bonistas y sus acuerdos vinculan a todos los Bonistas en la forma establecida en la ley.

Artículo 8.- Legitimación para convocatoria. La Asamblea General de Bonistas será convocada por el Consejo de Administración del Emisor o por el Comisario, siempre que lo estimen conveniente. No obstante lo anterior, el Comisario deberá convocarla cuando lo soliciten por escrito, con indicación del objeto de la convocatoria, un número de Bonistas que represente, al menos, la vigésima parte del importe total de los Bonos emitidos y no amortizados o, de ser distinto, aquel otro porcentaje establecido al efecto en la ley. En tal caso, la Asamblea deberá ser convocada para su celebración dentro del mes siguiente a aquél en que el Comisario hubiere recibido la solicitud.

Artículo 9.- Forma de convocatoria. La convocatoria de la Asamblea General de Bonistas se hará mediante anuncio que se publicará con la antelación prevista al

and the “Notes”) shall be incorporated once the Notes have been fully subscribed and paid.

This Syndicate shall be governed by these regulations and by the Spanish Companies Act and other applicable legislation from time to time.

Article 2.- Name. The Syndicate shall be named “Syndicate of Noteholders of the Issue of Senior Unsecured Notes due [●] of CriteriaCaixa”.

Article 3.- Purpose. This Syndicate of Noteholders is formed for the purpose of protecting the lawful interest of the holders of the Notes (the “Noteholders”) vis-à-vis the Issuer, by means of the exercise of the rights granted by the applicable laws and the present regulations.

Article 4.- Address. The address of the Syndicate shall be located in Palma (Palma de Mallorca), Plaza Weyler 3. However, the Noteholders General Meeting is also authorised to hold a meeting in any other place, provided that it is specified in the notice convening the meeting.

Article 5.- Duration. This Syndicate of Noteholders shall exist until all of the Notes have been redeemed, or until its cancellation for any other reason.

Article 6.- Syndicate management bodies. The Management bodies of the Syndicate of Noteholders are:

- a) The General Meeting of Noteholders; and
- b) The Commissioner.

Title II: THE NOTEHOLDERS GENERAL MEETING

Article 7.- Legal nature. The Noteholders General Meeting, duly called and constituted, is the body of expression of the Noteholders’ will and its resolutions are binding for all the Noteholders in the way legally stated.

Article 8.- Standing for convening meetings. The Noteholders General Meeting shall be convened by the Board of Directors of the Issuer or by the Commissioner, whenever they may deem it convenient. Nevertheless, the Commissioner shall convene a General Meeting, expressly indicating the purpose of the calling, when Noteholders holding at least the twentieth part of the outstanding amount of the Notes issued and not redeemed or, if different, any other percentage set forth in the applicable law, request it in writing. In such case, the General Meeting shall be convened to be held in the following month of receipt of the written notice by the Commissioner.

Article 9.- Procedure for convening meetings. The Noteholders General Meeting shall be convened by notice published in accordance with the applicable

efecto en la normativa vigente o, en ausencia de esta, con al menos un mes de antelación a la fecha fijada para su celebración, en la página web del Emisor. El anuncio deberá expresar el lugar y la fecha de la reunión, los asuntos que hayan de tratarse, la forma de acreditar la titularidad de los Bonos para tener derecho de asistencia a la misma y cualesquiera otros aspectos exigidos en su caso en la normativa vigente.

Artículo 10.- Derecho de asistencia. Tendrán derecho de asistencia a la Asamblea los Bonistas que hayan adquirido dicha condición con al menos cinco días hábiles de antelación a aquel en que haya de celebrarse la reunión. Los miembros del Consejo de Administración del Emisor podrán asistir a la Asamblea aunque no hubieren sido convocados.

Artículo 11.- Derecho de representación. Todo Bonista que tenga derecho de asistencia a la Asamblea podrá hacerse representar por medio de otro Bonista. La representación deberá conferirse por escrito y con carácter especial para cada Asamblea.

Artículo 12.- Adopción de acuerdos. Los acuerdos se adoptaran por mayoría absoluta de los votos emitidos. Por excepción, las modificaciones del plazo o de las condiciones del reembolso del valor nominal requerirán el voto favorable de las dos terceras partes de los Bonos en circulación.

Artículo 13.- Derecho de voto. En las reuniones de la Asamblea, cada Bono conferirá al Bonista un derecho de voto proporcional al valor nominal no amortizado de las obligaciones de que sea titular.

Artículo 14.- Presidencia de la Asamblea. La Asamblea estará presidida por el Comisario, quien dirigirá los debates, dará por terminadas las discusiones cuando lo estime conveniente y someterá los asuntos a votación.

Artículo 15.- Lista de asistencia. El Comisario elaborará, antes de entrar en el orden del día, la lista de los asistentes, expresando la representación de cada uno de ellos, en su caso, y el número de Bonos propios o ajenos con que concurren.

Artículo 16.- Facultades de la Asamblea General.

La Asamblea General de Bonistas podrá acordar lo necesario para:

- a) la mejor defensa de los legítimos intereses de los Bonistas respecto del Emisor;
- b) destituir o nombrar al Comisario y, en su caso, al Comisario suplente;
- c) ejercer, cuando proceda, las acciones judiciales correspondientes;
- d) aprobar los gastos ocasionados por la defensa de los intereses comunes;
- e) modificar, de acuerdo con el Emisor, los términos y condiciones de los Bonos u otorgar

legislation or, in absence of this legislation, with at least a month before the date set for the meeting, on the web page of the Issuer. The notice shall state the place and the date for the meeting, the agenda for the meeting, the way in which ownership of the Notes shall be proved in order to have the right to attend the General Meeting and any other aspects that may be required by the applicable legislation.

Article 10.- Right to attend meetings. Noteholders who have been so at least five days prior to the date on which the General Meeting is scheduled, shall have the right to attend the meeting. The members of the Board of Directors of the Issuer shall have the right to attend the Meeting even if they have not been requested to attend.

Article 11.- Right to be represented. All Noteholders having the right to attend the Meeting also have the right to be represented by another Noteholder. Appointment of a proxy must be in writing and only for each particular Meeting.

Article 12.- Passing of resolutions. Resolutions shall be approved by an absolute majority of the issued votes. As an exception, the modification of the established period for the redemption of the Notes or in relation the redemption amount of the Notes shall require for its approval the votes corresponding to, at least, two thirds of the Notes outstanding.

Article 13.- Voting rights. In Meeting, each Note shall grant its Noteholder the right to a vote proportional to such Note's outstanding nominal amount.

Article 14.- President of the Meeting. The Commissioner shall be the president of the Meeting, shall chair the discussions and shall have the right to bring the discussions to an end when he considers it convenient and shall put the matters to vote.

Article 15.- Attendance list. Before discussing the agenda for the meeting, the Commissioner shall form the attendance list, stating the nature and representation of each of the Noteholders present and the number of Notes at the meeting, both directly owned and/or represented.

Article 16.- Power of the General Meeting.

The Noteholders General Meeting may pass resolutions necessary for:

- a) the best protection of Noteholders' lawful interest vis-à-vis the Issuer;
- b) the dismissal or appointment of the Commissioner and, if applicable, the provisional Commissioner;
- c) the exercise, if appropriate, of corresponding legal claims;
- d) the approval of expenses relating to the defence of the Noteholders' interests;
- e) the modification, as agreed with the Issuer, of the terms and conditions of the Notes or the

cualquier dispensa o consentimiento en relación con éstos; y

f) cualesquiera otras que le confiera la normativa vigente.

Artículo 17.- Actas. El acta de las reuniones de la Asamblea General de Bonistas será aprobada por la propia Asamblea tras su celebración o, en su defecto, dentro del plazo de los 15 días siguientes, por el Comisario y dos Bonistas designados al efecto por la Asamblea General.

Artículo 18.- Certificaciones. Las certificaciones de las actas serán expedidas por el Comisario.

Artículo 19.- Ejercicio individual de acciones. Los Bonistas solo podrán ejercitar individualmente las acciones judiciales o extrajudiciales que les correspondan cuando no contradigan los acuerdos del Sindicato dentro de su competencia y sean compatibles con las facultades que al mismo se le hayan conferido.

Artículo 20.- Ejercicio colectivo de acciones. Los procedimientos o actuaciones que afecten al interés general o colectivo de los Bonistas solo podrán ser dirigidos en nombre del Sindicato en virtud de la autorización de la Asamblea General de Bonistas, y obligarán a todos ellos, sin distinción, quedando a salvo el derecho de impugnación de los acuerdos de la Asamblea establecido por la Ley.

Todo Bonista que quiera promover el ejercicio de una acción de esta naturaleza, deberá someterla al Comisario del Sindicato, quien, si la estima fundada, convocará la reunión de la Asamblea General.

Si la Asamblea General rechazara la proposición del Bonista, ningún tenedor de Bonos podrá reproducirla en interés particular ante los Tribunales de Justicia, a no ser que hubiese contradicción clara con los acuerdos y la reglamentación del Sindicato.

Título III: EL COMISARIO

Artículo 21.- Naturaleza jurídica del Comisario. El Comisario ostentará la representación legal del Sindicato de Bonistas actuará de órgano de relación entre este y el Emisor y será nombrado por el Emisor.

Artículo 22.- Nombramiento y duración del cargo. La Asamblea General de Bonistas, debidamente convocada, está facultada para nombrar al Comisario, quien deberá ejercer el cargo en tanto dure el Sindicato y no sea sustituido por la Asamblea.

Artículo 23.- Facultades. Serán facultades del Comisario:

- a) Tutelar los intereses comunes de los Bonistas;
- b) convocar y presidir las Asambleas Generales de Bonistas;
- c) informar al Emisor de los acuerdos del Sindicato;

granting of any waiver or consent in relation thereto; and

f) any other that may be established by the applicable legislation.

Article 17.- Minutes. The minutes of the meetings of the Noteholders General Meeting shall be approved by the Meeting after the meeting has been held, or, if not, within 15 days, by the Commissioner and, two Noteholders appointed for such purpose by the General Meeting.

Article 18.- Certificates. Certified copies of the minutes shall be issued by the Commissioner.

Article 19.- Individual exercise of actions. The Noteholders will only be entitled to individually exercise judicial or extra judicial claims in each case when such claims do not contradict the resolutions previously adopted by the Syndicate, are within their powers, and are compatible with the competencies conferred upon the Syndicate.

Article 20.- Collective exercise of actions. The proceedings or actions that affect the general or collective interest of the Noteholders shall only be made on behalf of the Syndicate in accordance to the authorisation of the Noteholders General Meeting, and will be binding to all of them, without exception. Nevertheless, the right to impugn the resolutions of the Meeting established by law is not altered.

Any Noteholder who wants to exercise a right of such nature shall submit it to the Commissioner, who, if appropriate, will convene the General Meeting.

In the event the General Meeting refuses the proposal of the Noteholder, no holder of Notes may reproduce it in its particular interest before the Courts of Justice, provided there is no clear contradiction with the resolutions and regulations of the Syndicate.

Title III: THE COMMISSIONER

Article 21.- Nature of the Commissioner. The Commissioner shall bear the legal representation of the Noteholders Syndicate, shall be the body for liaison between the Syndicate and the Issuer and it will be appointed by the Issuer.

Article 22.- Appointment and duration of the office. The Noteholders General Meeting, duly called, is entitled to appoint the Commissioner, who shall exercise his office while the Syndicate exists and the General Meeting does not dismiss him.

Article 23.- Faculties. The Commissioner shall have the following faculties:

- a) Protect the common interests of the Noteholders;
- b) to call and act as president of the Noteholders General Meeting;
- c) to inform the Issuer of the resolutions passed by the Syndicate;

d) en caso de que el Emisor se haya retrasado en más de seis meses el pago de los intereses vencidos o la amortización del principal, proponer al órgano de administración del Emisor la suspensión de cualquiera de los administradores y convocar la junta general de accionistas del Emisor, si aquéllos no lo hicieran cuando estimen que deben ser sustituidos;

e) vigilar el pago de la remuneración, así como de cualesquiera otros pagos que deban realizarse a los Bonistas por cualquier concepto;

f) ejecutar los acuerdos de la Asamblea General de Bonistas;

g) ejercitar las acciones que correspondan al Sindicato; y

h) en general, las que le confieran la ley y los presentes Estatutos.

Artículo 24.- Comisario suplente. La Asamblea General podrá nombrar un comisario suplente que sustituirá al Comisario en caso de ausencia en el desempeño de tal función.

El Emisor podrá nombrar con carácter provisional un comisario suplente en el momento de adopción del acuerdo de emisión de los Bonos, el cual deberá ser ratificado por la Asamblea General de Bonistas.

Título IV: JURISDICCIÓN

Artículo 25.- Sumisión a fuero. Para cuantas cuestiones relacionadas con el Sindicato pudieran suscitarse, los Bonistas se someten, con renuncia expresa a cualquier otro fuero, a la jurisdicción de los Juzgados y Tribunales de la ciudad de Palma (Palma de Mallorca). Esta sumisión se entenderá sin perjuicio de los fueros imperativos que pudieran ser de aplicación de acuerdo con la legislación vigente.

d) in the event that the Issuer has delayed in more than six months the payment of interests which are due and payable or the repayment of the principal, to propose to the management body of the Issuer the suspension of any of the directors and call the Issuer's general shareholders' meeting if the former do not do it when they estimate that they should be substituted;

e) to control the payment of the compensation, and any other payments that shall be made by the Noteholders by any concept;

f) to execute the resolutions of the Noteholders General Meeting;

g) to exercise the actions corresponding to the Syndicate; and

h) in general, the ones granted to him in the Law and the present regulations.

Article 24.- Substitute Commissioner. The General Meeting shall appoint a substitute commissioner which will substitute the Commissioner in the event of absence in the performance of such position.

The Issuer may provisionally appoint a substitute commissioner when adopting the issue agreement of the Notes, which shall be ratified by the Noteholders General Meeting.

Title IV: JURISDICTION

Article 25.- Jurisdiction. For any disputes that may arise regarding the Syndicate, the Noteholders shall submit, with express waiver of their own forum, to the jurisdiction of the Courts and Tribunals of the city of Palma (Palma de Mallorca). This submission is subject to the existing forums that may apply according to the current legislation.

6. FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of Final Terms but denotes directions for completing the Final Terms.

Final Terms dated []

Criteria Caixa, S.A., Sociedad Unipersonal

(incorporated as a public limited company)

Issue of

[Aggregate Nominal Amount of Tranche] [Title of Notes]

Under the €3,000,000,000

Euro Medium Term Note Programme

PART A- CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [] [and the supplemental Base Prospectus[es] dated []] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**), as amended. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. For the purpose of Article 14 of the Prospectus Directive, the Base Prospectus and these Final Terms are published on the website of the CNMV (www.cnmv.es) [and other regulated market] and on the Issuer's website (www.criteriacaixa.com).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

- | | | |
|----|---|--|
| 1. | Issuer: | Criteria Caixa, S.A., Sociedad Unipersonal |
| 2. | (i) Series Number: | [] |
| | (ii) Tranche Number: | [] |
| | [(iii) Date on which the Notes will be consolidated and form a single Series: | [Not applicable. / The Notes will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date.]] |

3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 (i) Series: []
 (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6. (i) Specified Denominations: []
 (ii) Calculation Amount: []
7. (i) Issue Date: []
 (ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
8. Maturity Date: [•]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[[] month [LIBOR/EURIBOR/any other benchmark]]
 +/- [] per cent. Floating Rate]
 [Zero Coupon]
 (see paragraph 14/15/16 below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount. *[In any case, no Notes shall be redeemed below par.]*
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there]*[Not Applicable]
12. Put/Call Options: [Investor Put] [Issuer Call]
 [Not Applicable]
 [(see paragraph 17/18 below)]
13. :
 Date [Board] approval for [] [and [] respectively]] / [Not issuance of Notes obtained: Applicable]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year [up to and including the Maturity Date]
(Amend appropriately in the case of irregular coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount)
- (v) Day Count Fraction: [Actual/Actual] [Actual/Actual (ISDA)]
[Actual/365 (Fixed)] [Actual/360] [30/360]
[360/360] [Bond Basis] [30E/360]
[Eurobond Basis] [30E/360 (ISDA)]
[Actual/Actual (ICMA)]
- (vi) [Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
15. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Interest Period(s) []
- (ii) Interest Payment Dates: []
- (iii) Interest Period Date: []
(*Not applicable unless different from Interest Payment Date*)
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
- (v) Manner in which the Rate(s) of Interest is / are to be determined [Screen Rate Determination/ISDA Determination]
- (vi) Description of the Reference Rate: [EURIBOR/LIBOR/other]
- (vii) Screen Rate Determination:
- Reference Rate: [] month [LIBOR/EURIBOR/any other benchmark]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (viii) ISDA Definitions: means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association [*include alternative definitions, if applicable.*]
- (ix) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
(*In the case of a LIBOR or EURIBOR or any other benchmark based option, the first day of the Interest Period*) / [OTHER]
- (x) Margin(s): [+/-] [] per cent. per annum

- (xi) Minimum Rate of Interest: [] per cent. per annum / [N/A]
- (xii) Maximum Rate of Interest: [] per cent. per annum / [N/A]
- (xiii) Day Count Fraction: [Actual/Actual] [Actual/Actual (ISDA)]
 [Actual/365 (Fixed)] [Actual/360] [30/360]
 [360/360] [Bond Basis] [30E/360]
 [Eurobond Basis] [30E/360 (ISDA)]
 [Actual/Actual (ICMA)]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [] per cent. per annum
- (ii) Day Count Fraction in relation to Early Redemption Amounts: [Actual/Actual] [Actual/Actual (ISDA)]
 [] per cent. per annum
 [Actual/365 (Fixed)] [Actual/360] [30/360]
 [360/360] [Bond Basis] [30E/360]
 [Eurobond Basis] [30E/360 (ISDA)]
 [Actual/Actual (ICMA)]

PROVISIONS RELATING TO REDEMPTION

17. Call Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of [] per Calculation Amount each Note:
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice periods: Minimum period: [] days
 Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing, as well as any other notice requirements which may apply.)

18. Put Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice periods: Minimum period: [] days
Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing, as well as any other notice requirements which may apply.)
19. Final Redemption Amount: [] per Calculation Amount
20. Early Redemption Amount payable on [] per Calculation Amount
redemption for taxation reasons or upon the occurrence of an Event of Default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Financial Centre(s): [Not Applicable/give details]
- (i) Principal Financial Centre: []
- (ii) Additional Financial Centre(s): []
22. Paying Agent []
23. Calculation Agent []

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on AIAF [and other regulated market] with effect from [].] [Application is expected to be made by the issuer (or on its behalf) for the Notes to be admitted to trading on AIAF [and other regulated market] with effect from [30 days after the Issue Date/ other time period].]
(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [Not Applicable] [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details]] by [insert the legal name of the relevant credit rating agency entity(ies), and associated defined terms].*
- [Each of *[insert defined terms for rating agencies]* is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to [•], as far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. [•] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business] – *[Amend as appropriate and include if there are other interests or none at all.]*

4. YIELD

Indication of yield: []
[Fixed Rate Notes only:] [The yield is calculated at the Issue Date by [insert method of yield calculation] on the basis of [insert yield calculation hypothesis]. It is not an indication of future yield.]]

5. Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

[BENCHMARKS:

Amounts payable under the Notes will be calculated by reference to [•] which is provided by [•]. As at [•],[•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**). [As far as the Issuer is aware the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]/[Not Applicable]

5. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: [Not Applicable/give details]
- (iii) Delivery: [Delivery against payment]

6 DISTRIBUTION

- (i) Method of Distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
 - (A) Names of Dealers: [Not Applicable/give names]
 - (B) Stabilisation Manager(s), if any: [Not Applicable/give names]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/give names]
- (iv) U.S. Selling Restrictions: [Reg S Compliance Category 1/2]

7. NOTEHOLDERS' SYNDICATE AND APPOINTMENT OF THE COMMISSIONER

In accordance with Condition 12 (*Syndicate of Noteholders and Modification*) of the Base Prospectus, and for this issue of securities, [], of legal age, holding Tax Identification Number (*NIF*) [] and with domicile at [] is hereby appointed as Commissioner. [] appears in his/her own name for the sole purposes of accepting such appointment.

8. REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

The Regulations of the Syndicate of Noteholders for the Notes to which these Final Terms refer are those contained in Condition 18 (*Regulations of the Syndicate of Noteholders*) of the Base Prospectus, as complemented with the following information:

Artículo 1.- Constitución. El Sindicato de Bonistas de la emisión de Bonos Senior Simples por importe de [include amount] de euros con vencimiento en [include maturity] emitidos por Critería Caixa, S.A., Sociedad Unipersonal (en adelante, respectivamente el “**Emisor**” y los “**Bonos**”) quedará constituido una vez se suscriban y desembolsen los Bonos.

Artículo 2.- Denominación. El Sindicato se denominará “Sindicato de Bonistas de la Emisión de Bonos Senior Simples con vencimiento en [include maturity] de CriteríaCaixa”.

Article 1.- Incorporation The syndicate of noteholders of the issue of the €[include amount] Senior Unsecured Notes due [include maturity] issued by Critería Caixa, S.A., Sociedad Unipersonal (hereinafter, respectively, the “**Issuer**” and the “**Notes**”) shall be incorporated once the Notes have been fully subscribed and paid.

Article 2.- Name. The Syndicate shall be named “Syndicate of Noteholders of the Issue of Senior Unsecured Notes due [include maturity] of CriteríaCaixa”.

All the pages of these Final Terms have been duly initialled and signed in [], this [].

Signed on behalf of Critería Caixa, S.A., Sociedad Unipersonal:

[] [Insert position of signee 1]

[] [Insert position of signee 2, if applicable]

[] Commissioner

7. TAXATION

The following summary is a general description of certain tax considerations relating to the Notes. It does not constitute tax advice and does not purport to be a complete analysis of all tax considerations relating to the Notes, as applicable, whether in Spain or elsewhere, and does not deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and under the tax laws of Spain of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. Furthermore, this summary does not take into account the regional special tax regimes in force in the Basque Country and Navarre, or the regulations adopted by the Spanish Autonomous Regions.

This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. As a result, this description is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retroactive effect.

References in this section to Noteholders include the beneficial owners of the Notes. Investors should also note that the appointment by an investor in the Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisors in relation to the tax consequences for them of any such appointment.

Spanish tax considerations

Introduction

The information provided below has been prepared in accordance with the following Spanish tax legislation in force at the date of this Base Prospectus:

- (i) of general application, First Additional Provision of Law 10/2014 along with Royal Decree 1065/2007;
- (ii) for individuals with tax residency in Spain who are individual income tax ("**IIT**") taxpayers, Law 35/2006, of 28 November 2006, on IIT and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law, as amended ("**IIT Law**"), as well as Royal Decree 439/2007, of 30 March 2007, promulgating the IIT Regulations as amended, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on the Inheritance and Gift Tax ("**IGT**");
- (iii) for legal entities resident for tax purposes in Spain which are subject to the Spanish Corporate Income Tax ("**CIT**"), Law 27/2014, of November 27, on CIT and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations;
- (iv) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Spanish Non-Resident Income Tax ("**NRIT**"), Royal Legislative Decree 5/2004, of 5 March 2004, promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004, of 30 July 2004, promulgating the NRIT Regulations as amended, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on IGT.

Whatever the nature and residence of the beneficial owners of the Notes, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, *i.e.*, exempt from transfer tax and stamp duty, in accordance with the Consolidated Text of such taxes promulgated by Royal Legislative Decree 1/1993, of 24 September 1993, and exempt from VAT, in accordance with Law 37/1992, of 28 December 1992, regulating such tax.

The Issuer understands that the Notes should be deemed as financial assets with an explicit yield for Spanish tax purposes, defined in article 91 of the IIT Regulations and article 63 of the CIT Regulations.

Individuals with Tax Residency in Spain

Individual Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes constitute income obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base, which is taxed in 2018 at a flat rate of 19% for the first €6,000, 21% between €6,000.01 and €50,000 and 23% for any amount in excess of €50,000.

A 19% withholding on account of IIT will be imposed by the Issuer on interest payments as well as on income derived from the redemption or repayment of the Notes, by individual investors subject to IIT.

However, with certain exceptions, income derived from the transfer of the Notes should not be generally subject to withholding on account of IIT provided that the Notes are:

- (i) registered by way of book-entries (*anotaciones en cuenta*); and
- (ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

Except the part of the price which is equivalent to the accrued interest on any transfers which are made within the 30 days immediately prior to the maturity of the coupon, when (i) the acquirer is an individual or entity not resident in the Spanish territory, or is a taxable person for CIT purposes, and (ii) this express income is exempt from the obligation to withhold in relation to the acquirer.

Zero-coupon Notes do not fall within the abovementioned exemption.

In any event, the individual holder may credit the withholding tax applied by the Issuer against his or her final IIT liability for the relevant tax year.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

For tax year 2018, Spanish resident tax individuals are subject to Spanish Net Wealth Tax, which imposes a tax on property and rights in excess of €700,000 held on the last day of any year.

Spanish tax resident individuals whose net worth is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Notes during the last quarter of such year, as published by the Spanish Ministry of Revenues on an annual basis.

However, those rates may vary depending on the autonomous region of residency of the investor. As such, prospective holders of the Notes should consult their tax advisers.

In accordance with article 4 of Royal Decree-Law 3/2016, of 2 December 2016 adopting measures in the tax field aimed at the consolidation of public finances and other urgent social security measures, for the year 2018 and onwards, a full exemption on Spanish Wealth Tax would apply (*bonificación del 100%*), and, therefore, individuals who are resident in Spain will be released from formal and filing obligations in relation to this Spanish Wealth Tax from 2018 and onwards, unless the application of this full exemption is postponed (even with retroactive effect).

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals who are resident in Spain for tax purposes and who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish IGT in accordance with the applicable Spanish regional and state rules. The effective tax rates range between 0% and 81.6%, depending on various factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, and the kinship with the deceased or the donor.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (*Impuesto sobre Sociedades*)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes are subject to CIT at the general flat tax rate of 25% in accordance with the rules for such tax.

No withholding on account of CIT will be imposed on interest payments or on income derived from the redemption or repayment of the Notes by Spanish CIT taxpayers which is paid by the Issuer, provided that certain requirements are met (including that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below). See "*—Compliance with Certain Requirements in Connection with Income Payments.*"

With regard to income derived from the transfer of the Notes, in accordance with article 61.q of the CIT regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Notes are:

- (i) registered by way of book-entries (*anotaciones en cuenta*); and
- (ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes are not subject to Spanish Wealth Tax.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the IGT but generally must include the market value of the Notes in their taxable income for CIT purposes.

Individuals and Legal Entities with no Tax Residency in Spain

- 1) *Investors with no Tax Residency in Spain, acting through a Permanent Establishment in Spain*

Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*)

If the Notes form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those set forth above for Spanish CIT taxpayers. See "*—Legal Entities with Tax Residency in Spain-Corporate Income Tax (Impuesto sobre Sociedades).*"

Ownership of the Notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

- 2) *Investors with no Tax Residency in Spain not acting through a Permanent Establishment in Spain*

- (A) *Non-Resident Income Tax (Impuesto sobre la Renta de no Residentes).*

Both interest payments periodically received under the Notes and income derived from the transfer,

redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT and therefore no withholding on account of NRIT will be levied on such income provided certain requirements are met, including that, in respect of interest payments from the Notes carried out by the Issuer, the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below, as set forth in article 44 of Royal Decree 1065/2007. See "*—Compliance with Certain Requirements in Connection with Income Payments.*"

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of interest under the Notes, the Issuer will withhold Spanish withholding tax at the then-applicable rate (the current rate is 19%) on such payment of income on the Notes and the Issuer will not pay additional amounts with respect to any such withholding tax.

A beneficial owner who is not resident in Spain for tax purposes and is entitled to exemption from NRIT, but to whom payment was not exempt from Spanish withholding tax due to a failure on the delivery of a duly executed and completed Payment Statement to the Issuer, will receive a refund of the amount withheld, with no need for action on the beneficial owner's part, if the Issuer receives a duly executed and completed Payment Statement no later than the 10th calendar day of the month immediately following the relevant payment date.

In addition, beneficial owners of the Notes may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the NRIT Law and its regulations.

(B) Net Wealth Tax (*Impuesto sobre el Patrimonio*)

For tax year 2018, Spanish non-resident tax individuals are subject to Spanish Net Wealth Tax, which imposes a tax on property and rights in excess of €700,000 that are located in Spain, or can be exercised within the Spanish territory, as the case may be, on the last day of any year.

However, to the extent that income derived from the Notes is exempt from NRIT, individual beneficial owners not resident in Spain for tax purposes that hold Notes on the last day of any year will be exempt from Spanish Net Wealth Tax regarding the holding of the Notes. Furthermore, beneficial owners who benefit from a treaty for the avoidance of double taxation with respect to wealth tax that provides for taxation only in the beneficial owner's country of residence will not be subject to Spanish Net Wealth Tax.

If the provisions of the foregoing paragraph do not apply, non-Spanish tax resident individuals whose net worth related to property located, or rights that can be exercised, in Spain is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Notes during the last quarter of such year, as published by the Spanish Ministry of Revenues on an annual basis.

Non-Spanish tax resident individuals who are resident in an EU or European Economic Area member State may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective holders of the Notes should consult their tax advisers.

In accordance with article 4 of Royal Decree-Law 3/2016, of 2 December 2016 adopting measures in the tax field aimed at the consolidation of public finances and other urgent social security measures, for the year 2018 and onwards, a full exemption on Spanish Wealth Tax would apply (*bonificación del 100%*), and, therefore, Spanish non-resident individuals will be released from formal and filing obligations in relation to this Spanish Wealth Tax from 2018 and onwards, unless the application of this full exemption is postponed (even with retroactive effect).

Spanish non-resident legal entities are not subject to Net Wealth Tax.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy, will be subject to IGT in accordance with the applicable Spanish state rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to IGT. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply.

If no treaty for the avoidance of double taxation in relation to IGT applies, effective IGT rates would range between 0% and 81.6%, depending on various factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, the kinship with the deceased or the donor and the qualification for tax benefits. These factors may vary depending on the application of the state or the autonomous regions IGT governing laws. Generally, non-Spanish tax resident individuals are subject to Spanish state rules. However, if the deceased or the donee, as the case may be, is resident in an EU or European Economic Area member State, the applicable rules will be those corresponding to the relevant autonomous regions as per the rules set out in the law. As such, prospective holders of the Notes should consult their tax advisers.

Non-Spanish tax resident legal entities that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to IGT. Such acquisitions may be subject to NRIT as capital gains (as described above), unless otherwise applicable under the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of tax residence of the beneficiary owner.

Compliance with Certain Requirements in Connection with Income Payments

As described under "*—Individuals and Legal Entities with no Tax Residency in Spain,*" "*—Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*", provided the conditions set forth in Law 10/2014 are met, interest payments made by the Issuer in respect of the Notes for the benefit of non-Spanish tax resident investors, or for the benefit of Spanish CIT taxpayers, will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a **Payment Statement**), in accordance with section 4 of article 44 of Royal Decree 1065/2007:

1. Identification of the Notes.
2. Total amount of the income paid by the Issuer.
3. Amount of the income corresponding to individuals residents in Spain that are IIT taxpayers.
4. Amount of the income that must be paid on a gross basis.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, at the current rate of 19%.

If this were to occur, affected beneficial owners will receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the 10th calendar day of the month immediately following the relevant payment date. In addition, beneficial owners may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

Prospective investors should note that the Issuer does not accept any responsibility relating to the lack of delivery of a duly executed and completed Payment Statement by the Iberclear Members in connection with each payment of income under the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any beneficial owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net

of Spanish withholding tax because the Payment Statement was not duly delivered to the Issuer. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding tax.

Disclosure of Noteholder Information in connection with the Redemption or Repayment of Zero Coupon Notes:

In accordance with section 4 of article 44 of the Royal Decree 1065/2007, in the case of Zero Coupon Notes with a maturity of 12 months or less, the information obligations established in Section 44 (see “Compliance with Certain Requirements in Connection with Income Payments” above) will have to be complied with upon the redemption or repayment of the Zero Coupon Notes.

The proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

On 28 October 2016, the Council of the European Union published document No. 13608/16 concerning the status of the FTT at that time, according to which a certain degree of progress in the FTT negotiations have been observed. However, further work at the Council and its preparatory bodies will be required before a final agreement can be reached among the Participating Member States that respects the competences, rights and obligations of the Member States not participating in the FTT.

However, the FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

U.S. Foreign Account Tax Compliance Withholding

Financial institutions may be required to withhold at a rate of up to 30% on all, or a portion of, payments made in respect of any Notes pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (commonly referred to as the Foreign Account Tax Compliance Act or **FATCA**), any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

A number of jurisdictions including the Kingdom of Spain have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are

uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019.

FATCA may also affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding or if any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

Investors should choose the custodians or intermediaries with care (to ensure that each is compliant with FATCA or other laws or agreements relating to FATCA) and provide each such custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax advisor to obtain a more detailed explanation of FATCA and how FATCA may affect them.

If an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments on or with respect to the Notes, the Issuer would have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction. As a result, investors may receive less interest or principal than expected.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

FATCA is particularly complex and its application is uncertain at this time. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Notes.

8. SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of the Dealers. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in the Dealer Agreement executed on the date hereof (the **Dealer Agreement**) and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be "Non-Syndicated" and the name and address of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be "Syndicated" and the obligations of those Dealers to subscribe the relevant Notes will be joint and several and, additionally, the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers will be set out in the relevant Final Terms.

Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes (which will be those set out in this Base Prospectus), the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

The Notes have not been and will not be registered under the Securities Act or securities laws or "blue sky" laws of any state of the United States or any other relevant federal jurisdiction, and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S (if applicable, the relevant Final Terms will determine the relevant Regulation S category). Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has agreed, and each Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are subject to the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II); or
- (b) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Dealer and further Dealer has represented, warranted and agreed that:

- (i) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (b) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act (**FSMA**) by the Issuer;
- (ii) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has represented, warranted and agreed, and each Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

9. SUMMARY OF CLEARANCE AND SETTLEMENT PROCEDURES APPLICABLE TO BOOK-ENTRY NOTES

Below is a brief summary of the Spanish clearance and settlement procedures applicable to book-entry notes such as the Notes.

Notwithstanding this summary, it should be noted that the Spanish clearing, settlement and registry system of securities transactions has undergone a significant reform to align it with the practices and standards of its European neighbours and prepare it for the implementation of future integration projects.

In this regard, Law 32/2011 of 4 October which amended Law 24/1988 of 28 July on the securities market (*Ley 32/2011, de 4 de octubre, por la que se modifica la Ley 24/1988, de 28 julio, del Mercado de Valores*) ("**Law 32/2011**"), anticipated and set the master plan of the future Spanish clearing, settlement and registry system providing for certain changes that are being implemented and that will modify the system and allow for the integration of the post-trading Spanish systems into the system TARGET2 Securities. Law 24/1988 was repealed by the Spanish Royal Legislative Decree 4/2015, of 23 October, which approved the restated text of the Securities Market Act but the amendments introduced by Law 32/2011 are duly reflected in this restated law.

In any case, it should be emphasised that, as of the date of this Base Prospectus, the procedures established for fixed-income securities remain practically the same.

Additionally, Regulation (EU) No. 909/2014 of the European Parliament and of the Council of July 23 on improving securities settlement in the EU and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012 ("**Regulation No. 909/2014**") provides that the maximum settlement period as regards transactions in transferable securities which are executed on trading venues must be settled by no later than the second business day following the relevant transaction, subject to certain exemptions. In this regard, since October 2014 transactions affecting debt securities settled through Iberclear are generally settled two business days after they have been made.

In this respect, the Spanish clearing, settlement and recording system has been adapted by Law 11/2015, on the recovery and resolution of credit institutions and investment firms and Royal Decree 878/2015, of 2 October to the provisions set forth in Regulation No 909/2014.

Following this reform, which implementation was completed by 18 September 2017, the Spanish clearing, settlement and registry procedures of securities transactions allows the connection of the post-trading Spanish systems to the European system TARGET2 Securities (the "**Reform**").

The Reform has introduced three main changes that, in turn, involve a number of operating modifications. These changes include (i) a new recording system based on balances, (ii) the introduction of a central clearing counterparty (BME Clearing, S.A., "**BME Clearing**" or the "**CCP**"), and (iii) the integration of the current CADE (*Central de Anotaciones de Deuda Pública*) and SCLV (*Servicio de Compensación y Liquidación de Valores*) into a single platform managed by Iberclear which operates under the trade name of ARCO.

The Reform has been implemented in two phases.

- (i) The first phase which was implemented on 27 April 2016 involved setting up a new system for equities to include all the changes envisaged in the Reform, including the creation of BME Clearing, a CCP for post-trade operations compatible with the TARGET2 Securities system (messages, account structure, definition of operations, etc.). From 3 October 2016, with respect to transactions carried out on 29 September 2016, the new settlement and registration platform (ARCO) operates under a "T+2 Settlement Standard" by which any transactions must be settled within two stock-exchange business days following the date on which the relevant transaction was completed.
- (ii) The second phase was implemented in September 2017 upon Iberclear's connection to the TARGET2 Securities system. As a result, fixed-income securities were transferred to the new ARCO platform.

Since that date the settlement and registration system for both equity and fixed-income securities are unified.

Iberclear and BME Clearing

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal (**Iberclear**) is the Spanish central securities depository in charge of both the register of securities held in book-entry form, and the settlement of all trades from the Spanish Stock Exchanges, Latibex (the Latin American stock exchange denominated in Euro), the Book-Entry Public Debt Market, the Alternative Stock Market (MAB), Alternative Fixed Income Market (MARF) and AIAF. To achieve this, Iberclear uses the technical platform named ARCO.

Iberclear and BME Clearing are owned by *Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.*, a holding company, which fully owns each of the Spanish official secondary markets and settlement systems.

Iberclear Securities Registration System

The securities recording system of Iberclear is a two tier level registry: the keeping of the central record corresponds to Iberclear and the keeping of the detail records correspond to the participating entities (*entidades participantes*) in Iberclear.

Access to become a participating entity is restricted to (i) credit institutions, (ii) investment services companies which are authorized to render custody and administration of financial instruments, (iii) the Bank of Spain, (iv) the General Administration and the General Social Security Treasury, (v) other duly authorized central securities depositories and central clearing counterparties and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositories.

The central registry managed by Iberclear reflects (i) one or several proprietary accounts which show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; (iii) individual accounts opened in the name of the owner, either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, maintains the detail records of the owners of the securities or the shares held in their general third-party accounts.

According to the above, Spanish law considers the owner of the securities to be:

- (i) the participating entity appearing in the records of Iberclear as holding the relevant securities in its own name;
- (ii) the investor appearing in the records of the participating entity as holding the securities; or
- (iii) the investor appearing in the records of Iberclear as holding securities in a segregated individual account.

BME Clearing is the CCP in charge of the clearing of transactions closed on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every purchase and as buyer in every sale. It calculates the buy and sell positions vis-à-vis the participants designated in such buy or sell instructions. The CCP then generates and send to Iberclear the relevant settlement instructions.

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO (for both equity securities and fixed-income securities as from September 2017), receives the settlement instructions from BME Clearing and forwards them to the relevant participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any

transactions must be settled within two business days following the date on which the transaction was completed.

To evidence title to securities, at the owner's request the relevant participating entity must issue a legitimization certificate (*certificado de legitimación*). If the owner is a participating entity or a person holding securities in a segregated individual account, Iberclear is in charge of the issuance of the certificate regarding the securities held in their name.

Iberclear Settlement of securities traded in AIAF

Iberclear and the participating entities (*entidades participantes*) in Iberclear have the function of keeping the book-entry register of securities traded on AIAF.

Securities traded in AIAF are fixed income securities, including corporate bonds (for example, medium term notes and mortgage bonds) and bonds issued by the Kingdom of Spain and Spanish regions, represented either in a dematerialised form or by certificates.

In the AIAF settlement system, transactions may be settled spot, forward (settlement date more than five days after the relevant trade date), with a repurchase agreement on a fixed date and double or simultaneous transactions (two trades in opposite directions with different settlement dates).

The settlement system used for securities admitted for trading in AIAF is the Model 1 delivery versus payment system, as per the classification of the Bank for International Settlements: that is, it is a "transaction-to-transaction" cash and securities settlement system with simultaneity in its finality.

Transactions are settled on the business day agreed by participants at the moment of the trade.

Settlement Cycles: The ARCO Platform

The ARCO platform offers both settlement in cycles and in real-time.

Real-time settlement (Madrid time):

- (i) Against payment trades: from 07:00 am to 4:00 pm;
- (ii) Free of payment trades: from 07:00 am to 6:00 pm.

The settlement of transactions that settle via real-time procedure will take place every 8 minutes.

Settlement in cycles (Madrid time):

- (i) Free and against payment trades: from 08:00 am to 3:00 pm. There are five cycles: at 08:00 am, 10:00 am, 11:30 am, 1:00 pm and 3:00 pm. In addition, there is one cycle at 2:00 pm (only for bilateral transactions free and against payment not cleared through a CCP) or 3:45 pm (for existing last resort loans) and 5:00 pm (only for bilateral transactions free of payment not cleared through CCP).
- (ii) Iberclear has an additional settlement cycle (*ciclo de repesca*) that allows the matching of trades from 3:00 pm to 3:45 pm whenever a Spanish custodian has a last resource loan in the market. Therefore, if Iberclear opens this extra settlement cycle, transactions that settle in cycles can be settled as of that time if the delivering party has sufficient position (Iberclear will start to send settlement confirmations after 3:45 pm for those trades that are matched from 3:00 pm to 3:45 pm).

Euroclear and Clearstream

Investors who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold their investment in the Notes through bridge accounts maintained by each of Euroclear and Clearstream with participating entities (*entidades participantes*) in Iberclear.

10. ADDITIONAL INFORMATION

Below are the disclosure requirements of Annex IX and XIII of Regulation EC 809/2004 which have not been covered in the preceding sections of this Base Prospectus:

Authorisation

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 15 March 2018 on the basis of the authorisation granted by a decision of the sole shareholder of the Issuer taken on 15 March 2018.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes, at the time of each issuance of Notes.

Principal amount of securities available for issue under the Programme.

The maximum aggregate principal amount of Notes outstanding at any time under the Programme will not exceed €3,000,000,000 (or the equivalent in other currencies at the date of issue) in accordance with the threshold authorised by CriteriaCaixa's Board of Directors' resolution passed on 15 March 2018 on the basis of the authorisation granted by a decision taken by the sole shareholder of the Issuer on 15 March 2018.

The nominal value and the number of securities to be issued is not fixed beforehand and will depend on the nominal amount of the individual securities of each issue made under this Base Prospectus, and on the total nominal amount of each single issue.

However, unit nominal amounts of Notes to be issued under this Base Prospectus will not be lower than €100,000.

Key information. Interest of natural and legal persons involved in the issue

There are no private interests since this Base Prospectus does not include any specific issue of Notes. Any interest of natural or legal persons in any issue under this Base Prospectus shall be included in its relevant Final Terms.

Validity Period and supplements to the Base Prospectus

The Base Prospectus will be valid for one year after its registration in the official registers of the CNMV provided, when applicable, it is duly supplemented in accordance with Article 16 of the Prospectus Directive. In particular, this Base Prospectus shall be duly supplemented with the most recent audited consolidated annual accounts of CriteriaCaixa when available.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus.

Statement of the capacity in which the advisors have acted

In addition to the Dealers, the following entities have provided advisory services in relation with the Programme:

- (i) Clifford Chance, S.L.P., has acted as legal adviser to the Dealers on Spanish and English law; and
- (ii) Linklaters, S.L.P. has acted as legal adviser to CriteriaCaixa on Spanish and English law.

Information on trends

Except for the acceptance on 8 May 2018 by Criteria and Inversiones Autopistas of Hochtief's Offer in relation to Abertis shares (as further described on Section 4.3.2), since the date of the last audited financial statements published, no significant changes have occurred in the financial or trading position of the Issuer.

There has been no material adverse change in the prospects of the Issuer since 31 December 2017.

Profit forecasts or estimates.

CriteriaCaixa has opted not to include any profit forecast or estimate.

Third party information and statement by experts

This Base Prospectus does not include any statements or reports attributed to a person as an expert.

Auditors

The Issuer's consolidated and standalone financial statements corresponding to the years ended 31 December 2017 and 31 December 2016 were audited by the external auditors Deloitte, S.L. whose registered office is at Plaza Pablo Picasso 1, Torre Picasso, 28020, Madrid, and registered with the *Registro Oficial de Auditores de Cuentas* under number S0692.

Since its appointment as CriteriaCaixa's external auditors and up to the date of this Base Prospectus, Deloitte, S.L., has not withdrawn or been removed from its engagement.

The auditor of CriteriaCaixa has expressed an unqualified opinion on the Issuer's consolidated and standalone audited financial statements as of and for each of the years ended 31 December 2017 and 2016.

The financial information selected as at 31 December 2017 and 2016, unless expressly stated otherwise, has been extracted from the financial statements referred to in such dates. No other information in the Base Prospectus has been audited or reviewed by auditors.

Credit ratings assigned to CriteriaCaixa

Ratings assigned to the Issuer are detailed below:

Rating Agency	CriteriaCaixa			
	Long term	Short term	Outlook	Date
Fitch	BBB	F2	Stable	10/10/2017
Moody's	Baa2	-	Stable	20/03/2018

Expenses

An estimate of the total expenses related to the admission to trading of the relevant Notes shall be provided in the corresponding Final Terms.

The estimated expenses related to the establishment of the Programme are €217,000, which include expenses from legal counsel and auditors and applicable VAT.

The particular costs of each issuance will be included in the Final Terms.

Responsibility

Mr. Xavier Moragas Freixa, acting in the name and on behalf of the Issuer in his capacity as duly authorised attorney of the Issuer pursuant to the resolutions of the Board of Directors of the Issuer dated 15 March 2018, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

Stabilisation

In connection with any issue of Notes under the Programme, the entity designated as stabilisation manager (the **Stabilisation Manager**) may (but will be under no obligation to), to the extent permitted by applicable law, engage in transactions that stabilise, support, maintain or otherwise affect the price of the Notes, at a level higher than that which might otherwise prevail in an open market. Any stabilisation transactions shall be undertaken in accordance with applicable laws and regulations, in particular, Regulation (EU) No 596/2014 of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures (**Regulation 2016/1052**). The relevant

regulatory notices (*hechos relevantes*) to the CNMV required by Regulation 2016/1052 will be made in case stabilisation transactions are performed.

Alternative Performance Measures

The Group prepares its consolidated financial statements in accordance with IFRS-EU. In addition to financial information extracted from the Group's consolidated financial statements, the Group uses, and this Base Prospectus contains, certain Alternative Performance Measures (**APMs**) as defined in the guidelines issued by the European Securities and Markets Authority (**ESMA**) on October 5, 2015 on alternative performance measures (the **ESMA Guidelines**). The Group considers that APMs provide additional information which is appropriate and useful to explain and assess its performance over time.

The Issuer believes that the presentation of the APMs included herein and those incorporated by reference into this Base Prospectus, when read together, comply with the ESMA Guidelines. However, these measures are not defined under IFRS-EU, and therefore users should use these APMs to complement - but not replace - the financial information presented in accordance with IFRS-EU. The APMs have not been reviewed or audited by our auditors or by any independent expert, and, as used by the Group, may not be comparable to other similarly titled measures used by other companies.

One of the reasons for using APMs is that, for management reporting purposes, not wholly-owned subsidiaries that, according with IFRS-EU, are fully consolidated in our consolidated financial statements (such as, CaixaBank until September 2017, and Saba in 2016 and 2017), are considered by our attributable interest.

The APMs used by the Group to describe its activities and performance are: Gross Asset Value (GAV), Gross Debt, Cash and Equivalents, Net Debt, Net Asset Value (NAV), Loan to Value (LTV), and Interest Coverage Ratio (ICR). The Group uses these measures for planning, budgeting, reporting (internally and externally), and reviewing the Group's performance.

Group's management considers that these measures are commonly used among its peers in the industry and are also relevant metrics used by credit analysts and rating agencies to analyze investment holding companies like Criteria.

The Group intends to use these APMs consistently over time. Details of the definitions, calculations and reconciliations of these APMs with the Issuer's standalone and consolidated financial statements are shown below:

1. Gross Asset Value (GAV).

Definition: The Group defines GAV as the sum of the market value of listed investments in associates and equity instruments (listed portfolio), the net carrying amount on the standalone financial statements of non-listed investments in associates and equity, and the net carrying amount on the consolidated financial statements of the real estate assets owned by Criteria and wholly-owned subsidiaries (non-listed portfolio). Said wholly owned subsidiaries are Inmo Criteria Caixa, S.A.U., Arrendamiento Inmo Criteria Caixa, S.L.U., Servihabitat Alquiler, S.L., Servihabitat Alquiler II, S.L.U., Els Arbres de la Tardor, S.L.U. and Mediterránea Beach & Golf Community, S.A.U.

Explanation of use: GAV is a good proxy to determine the total value of CriteriaCaixa assets. This is a standard reporting metric among investment holding companies and is used to compare the respective portfolio valuations (peers analysis).

Calculations and reconciliations of this APM with the Issuer's standalone and consolidated financial statements are as follows:

The breakdown of the Issuer's GAV as of 31 December 2017 and 2016 is as follows:

	€/share	Num. Shares	Ownership	GAV 2017 (€m)	Weight over GAV
Caixabank	3.89	2,392,538,198	40.00%	9,305	38.7%
The Bank of East Asia	3.61	482,416,732	17.44%	1,742	7.3%
Grupo Financiero Inbursa	1.36	607,000,574	9.10%	824	3.4%
BANKING PORTFOLIO				11,871	49.4%
Gas Natural Fenosa	19.25	244,557,521	24.44%	4,708	19.6%
Abertis	18.55	182,654,913	18.44%	3,388	14.1%
Suez	14.67	36,545,000	5.86%	536	2.2%
Cellnex	21.35	13,772,728	5.94%	294	1.2%
Telefónica	8.13	6,809,000	0.13%	55	0.2%
INDUSTRIAL AND SERVICES PORTFOLIO				8,981	37.4%
LISTED PORTFOLIO				20,852	86.8%
Saba Infraestructuras¹			50.10%	174	0.7%
Vithas Sanidad²			20.00%	74	0.3%
Caixa Capital Risc³			100.00%	62	0.3%
Aguas de Barcelona⁴			15.00%	52	0.2%
INDUSTRIAL AND SERVICES PORTFOLIO				362	1.5%
REAL ESTATE MANAGEMENT⁵				2,813	11.7%
NON-LISTED PORTFOLIO				3,175	13.2%
TOTAL GAV				24,027	100.0%

¹ Extracted from Appendix 1 of the 2017 Consolidated Financial Statements incorporated by reference.

² Extracted from Appendix 2 of the 2017 Consolidated Financial Statements incorporated by reference.

³ Includes the net carrying amount of direct interest of Criteria in the following companies (Extracted from Appendix 1 of the 2017 Consolidated Financial Statements incorporated by reference):

	Million of euros
Caixa Capital Risc, SGEGR, SA	4
Caixa Capital Micro II, FCR	3
Criteria Venture Capital SICC, SA	55
Total	62

⁴ Includes the net carrying amount of the direct interest of Criteria in said company pursuant to Criteria's standalone financial statements.

⁵ Extracted from Notes 7 and 11 of the 2017 Group's Consolidated Financial Statements incorporated by reference:

(million of Euros)	Criteria and wholly-owned companies	Other subsidiaries	Total 2017
Investment properties	1,184	-	1,184
Inventories	1,629	8	1,637
Real Estate Management	2,813	8	2,821

	€/share	Num. Shares	Ownership	GAV 2016 (€m)	Weight over GAV
Caixabank	3.14	2,710,880,567	45.32%	8,512	39.0%
The Bank of East Asia	3.63	468,436,578	17.33%	1,702	7.8%
Grupo Financiero Inbursa	1.44	600,763,993	9.01%	866	4.0%
BANKING PORTFOLIO				11,080	50.8%
Gas Natural Fenosa	17.91	244,557,521	24.44%	4,380	20.1%
Abertis	13.30	188,044,703	18.99%	2,500	11.5%
Suez	14.02	33,228,219	5.89%	466	2.1%
Cellnex	13.67	13,362,067	5.77%	183	0.8%
INDUSTRIAL AND SERVICES PORTFOLIO				7,528	34.5%
LISTED PORTFOLIO				18,608	85.3%
Saba Infraestructuras¹			50.10%	184	0.8%
Vithas Sanidad²			20.00%	74	0.3%
Caixa Capital Risc³			100.00%	63	0.3%
Aguas de Barcelona⁴			15.00%	52	0.2%
INDUSTRIAL AND SERVICES PORTFOLIO				373	1.7%
REAL ESTATE MANAGEMENT⁵				2,842	13.0%
NON-LISTED PORTFOLIO				3,214	14.7%
TOTAL GAV				21,822	100.0%

¹ Extracted from Appendix 1 of the 2016 Consolidated Financial Statements incorporated by reference.

² Extracted from Appendix 3 of the 2016 Consolidated Financial Statements incorporated by reference.

³ Includes the net carrying amount of direct interest of Criteria in the following companies (Extracted from Appendix 1 of the 2016 Consolidated Financial Statements incorporated by reference):

	Million of euros
Caixa Capital Risc, SGEGR, SA	4
Caixa Capital Micro II, FCR	4
Criteria Venture Capital SICC, SA	55
Total	63

⁴ Includes the net carrying amount of the direct interest of Criteria in said company pursuant to Criteria's standalone financial statements.

⁵ Extracted from Notes 2.4, 6, 7 and 11 of the 2016 Group's Consolidated Financial Statements incorporated by reference:

<i>(million of Euros)</i>	Criteria and wholly- owned companies	Other subsidiaries and reclassifications	Total 2016
Property, plant and equipment	51	104	155
Investment properties	1,246	-	1,246
Non-current assets held for sale	904	-	904
Inventories	641	15	656
Real Estate Management	2,842	119	2,961

2. Gross debt.

Definition: The Group defines Gross debt as the sum of interest-bearing loans and borrowings and bonds and other marketable debt securities, excluding premium and borrowing costs and accrued interests, of Criteria and wholly owned subsidiaries.

Explanation of use: Gross debt is a good metric to determine the total indebtedness of a holding company and provides a management approach of the financial resources and commitments directly attributable to and managed by CriteriaCaixa.

Calculations and reconciliations of this APM with the Issuer's standalone and consolidated financial statements are as follows:

<i>(million of Euros)</i>	31/12/2017		Total
	Non-current	Current	
Interest-bearing loans and borrowings and bonds and other marketable debt securities ⁽¹⁾	6,799	65	6,864
<i>Adjustments:</i>			
Premiums and borrowing costs ⁽²⁾			15
Accrued interest ⁽³⁾			(38)
<i>Debt from other subsidiaries not wholly owned:</i>			
Payable to associates from Saba ⁽³⁾			(5)
Interest-bearing loans and borrowings from Saba ⁽³⁾			(527)
Total Gross debt			6,309

⁽¹⁾ Extracted from Note 18 of the Consolidated Financial Statements incorporated by reference.

⁽²⁾ Extracted from Note 17 of the Standalone Financial Statements incorporated by reference.

⁽³⁾ Extracted from Note 18.1 of the Consolidated Financial Statements incorporated by reference.

<i>(million of Euros)</i>	31/12/2016		Total
	Non-current	Current	
Interest-bearing loans and borrowings and bonds and other marketable debt securities ⁽¹⁾	5.452	2.272	7,724
<i>Adjustments:</i>			
Premiums and borrowing costs ⁽²⁾			15
Accrued interest			(12)
Adding eliminations from CaixaBank Group within the consolidation process ⁽³⁾			1,503
<i>Debt from other subsidiaries not wholly owned:</i>			
Interest-bearing loans, borrowings and Payable to associates from Saba ⁽⁴⁾			(462)

Total Gross debt	8,768
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⁽¹⁾ Extracted from Note 18 of the Consolidated Financial Statements incorporated by reference.

⁽²⁾ Extracted from Note 17 of the Standalone Financial Statements incorporated by reference.

⁽³⁾ For management purposes, the funding from CaixaBank in 2016 and until September 2017, is considered from third parties. These amounts are eliminated within the consolidation process.

⁽⁴⁾ For management purposes, the debt from other subsidiaries not wholly owned are eliminated within the consolidation process and the breakdown is not disclosed in the Consolidated Financial Statements incorporated by reference.

3. Cash and Equivalents.

Definition: The Group defines Cash and Equivalents as the sum of cash and other short term accounts receivable and payable of Criteria and wholly owned companies.

Explanation of use: Cash and Equivalents is a standard metric to determine the short term liquidity available, including trade accounts receivable and payable.

Calculations and reconciliations of this APM with the Issuer's standalone financial statements are as follows:

	<u>2017</u>	<u>2016</u>
<u>CriteriaCaixa current assets</u>		
Cash and cash equivalents ¹	656	1,875
Other non-current financial assets ¹	1	28
Trade and other receivables ¹	128	26
<i>Adjustment to Trade and other receivables ²</i>	<i>(119)</i>	<i>-</i>
Current financial assets ¹	27	30
<u>CriteriaCaixa current liabilities</u>		
Current provisions ¹	-	(32)
Current payables: interest payable, bonds and other securities ¹	(37)	(30)
Current payables: derivatives ¹	-	(4)
Trade and other payables ¹	(65)	(73)
<u>Real Estate wholly-owned companies</u>		
Cash and short term trade accounts receivable and payable	26	39
Total Cash and Equivalents	617	1,859

¹ Extracted from the balance sheet included in the standalone financial statements incorporated by reference.

² For management purposes, €119 million of tax receivables are not considered.

4. Net debt.

Definition: The Group defines Net debt as the difference between Gross debt and Cash and Equivalents, being both of them APMs defined and reconciled previously.

Explanation of use: Net Debt is a good metric to determine the total indebtedness of a holding company and provides a management approach of the financial resources and commitments directly attributable to and managed by CriteriaCaixa.

The calculation of the Issuer's Net Debt as of 31 December 2017 and 2016 is as follows:

<i>(million of Euros)</i>	2017	2016
Gross Debt (A)	6,309	8,768
Cash and Equivalents (B)	617	1,859
Total Net Debt (A) – (B)	5,692	6,909

5. Net Asset Value (NAV).

Definition: The Group defines Net Asset Value (NAV) as the difference between GAV and Net Debt, being both of them APMs defined and reconciled previously.

Explanation of use: NAV is a good proxy to the market value of the total equity from the financial statements incorporated by reference. This is a standard reporting metric among investment holding companies and is used to compare the respective net portfolio value (peers analysis). It is also used to determine whether value is being created from management.

The calculation of the Issuer's Net Asset Value as of 31 December 2017 and 2016 is as follows:

<i>(million of Euros)</i>	2017	2016
Gross Asset Value (A)	24,027	21,822
Net Debt (B)	5,692	6,909
Total Net Asset Value (A) – (B)	18,335	14,913

6. Loan to Value (LTV).

Definition: The Group defines Loan to Value (LTV) as Net Debt divided by GAV being both of them APMs defined and reconciled previously.

Explanation of use: LTV is a standard metric to determine the relative indebtedness of an investment holding company and therefore, is commonly scrutinized by credit analysts, rating agencies, among others, such as peers analysis.

The calculation of the Issuer's Loan to Value as of 31 December 2017 and 2016 is as follows:

<i>(million of Euros)</i>	2017	2016
Net Debt (A)	5,692	6,909
Gross Asset Value (B)	24,027	21,822
Total Loan to Value (%) (A) / (B)	23.7%	31.7%

7. Interest coverage ratio (ICR).

Definition: The Group defines two alternatives of interest coverage ratio:

- Total ICR as the sum of dividends received by Criteria from its investees both in cash and shares divided by the financial expenses relating to the interest paid on Gross Debt reported by Criteria and wholly owned companies.
- Cash ICR as the sum of dividends received by Criteria from its investees only in cash divided by the financial expenses relating to the interest paid on Gross Debt reported by Criteria and wholly owned companies.

Explanation of use: ICR shows the flexibility of an investment holding company to cover its financial expenses with the received dividend income. It is a common credit metric used to assess the liquidity and financial strength of investment holding companies.

Calculations and reconciliations of this APM with the Issuer's standalone and consolidated financial statements are as follows:

<i>(million of Euros)</i>	2017	2016
<i>Return on equity investments accounted in profit/loss statement ⁽¹⁾:</i>		
CaixaBank, S.A.	311	196
Gas Natural, SDG, S.A.	244	285
Abertis Infraestructuras, S.A.	115	104
Inversiones Autopistas, S.A.	103	8
Suez, S.A.	22	20
Grupo Financiero Inbursa, S.A.B. de C.V.	13 ⁽²⁾	-
Aigües de Barcelona, Empresa Metropolitana del Cicle Integral de l'Aigua, SA	4	4
Cellnex Telecom, S.A.	1	1
Palau Migdia, S.L.	-	1
<i>Adjustments:</i>		
Dividend received from Inversiones Autopistas, SA which refers to the sale of shares of Abertis (do not correspond to indirect dividends received from Abertis)	(80)	-
BEA dividends received by CaixaBank as shares and delivered to Criteria under the Transfer Agreement ⁽³⁾	-	26
GFI dividends received by CaixaBank in cash and delivered to Criteria under the Transfer Agreement ⁽³⁾	-	13
CaixaBank dividends received as shares ⁽⁴⁾	-	220
BEA dividends received as shares ⁽⁵⁾	50	15
Dividends from Saba and Inversiones Autopistas received in cash and deducted from cost ⁽⁴⁾	10	18
Dividends from other investees received in cash, and others	1	6
Total dividends (A)	794	917
<i>Adjustments:</i>		
Grupo Financiero Inbursa, S.A.B. de C.V. in shares	(10)	-
BEA dividends received by CaixaBank as shares and delivered to Criteria under the Transfer Agreement ⁽³⁾	-	(26)
CaixaBank dividends received as shares ⁽⁴⁾	-	(220)

BEA dividends received as shares ⁽⁵⁾	(50)	(15)
Cash dividends (B)	734	656
Financial expenses from Corporate activities ⁽⁶⁾	(152)	(255)
Other	(1)	(2)
Total (C)	(153)	(257)
Total Interest Coverage Ratio, (A) / (C)	5.2x	3.6x
Cash Interest Coverage Ratio, (B) / (C)	4.8x	2.6x

⁽¹⁾ Extracted from Note 20 of CriteriaCaixa Standalone Financial Statements incorporated by reference.

⁽²⁾ 10 in shares and 3 in cash.

⁽³⁾ Extracted from Note 1 of CriteriaCaixa 2016 Standalone Financial Statements incorporated by reference.

⁽⁴⁾ Extracted from Note 9.1 of CriteriaCaixa Standalone Financial Statements incorporated by reference.

⁽⁵⁾ In 2017 the shares of BEA received by Criteria as scrip dividends totaled 13,980,154 shares (extracted from Note 9.2 of CriteriaCaixa Standalone Financial Statements incorporated by reference).

⁽⁶⁾ Extracted from Note 22 of the Group's Consolidated Financial Statements incorporated by reference.

Documents on display

For the period of 12 months following the date of this Prospectus, the following will be available for inspection, during usual business hours on any weekday (public holidays excepted), at the registered office of the Issuer:

- (i) the Articles of Association of CriteriaCaixa;
- (ii) CriteriaCaixa's consolidated audited financial statements as of and for each of the years ended 31 December 2017 and 2016 prepared in accordance with International Financial Reporting Standards, as adopted by the EU (IFRS-EU) and its corresponding auditor reports and the management reports (available, together with its corresponding English translation, on CriteriaCaixa's website: www.criteriacaixa.com and at the offices of the CNMV) which will also be available in the offices of the CNMV during usual business hours on any weekday (public days excepted);
- (iii) CriteriaCaixa's standalone audited financial statements as of and for each of the years ended 31 December 2017 and 2016 prepared in accordance with the Spanish National Chart of Accounts (*Plan General de Contabilidad*) and its corresponding auditor reports and the management reports (available, together with its corresponding English translation, on CriteriaCaixa's website: www.criteriacaixa.com) which will also be available in the offices of the CNMV during usual business hours on any weekday (public days excepted);
- (iv) this Base Prospectus which will also be available in the offices of the CNMV during usual business hours on any weekday (public days excepted), in the webpage of the CNMV (www.cnmv.es) and on CriteriaCaixa's website: www.criteriacaixa.com;
- (v) any future Final Terms which will also be available in the offices of the CNMV during usual business hours on any weekday (public days excepted), in the webpage of the CNMV (www.cnmv.es) and on CriteriaCaixa's website: www.criteriacaixa.com; and
- (vi) any future Base Prospectus supplement which will also be available in the offices of the CNMV during usual business hours on any weekday (public days excepted), in the webpage of the CNMV (www.cnmv.es) and on CriteriaCaixa's website: www.criteriacaixa.com.

A copy of the decision of the sole shareholder of the Issuer taken on 15 March 2018 and of the resolutions of the Board of Directors of the Issuer passed on 15 March 2018 will be available for inspection, during usual business hours on any weekday (public holidays excepted), in the offices of the CNMV.

Additionally, the relevant information regarding the Issuer's incorporation included in its deed of incorporation (*escritura de constitución*) is available for inspection, during usual business hours on any weekday (public holidays excepted), at the Commercial Registry of Palma de Mallorca.

11. SIGNATURES

In witness to their knowledge and approval of the contents of this Base Prospectus drawn up according to Annexes IX and XIII of Commission Regulation (EC) No. 809/2004 of 29 April 2004, pursuant to the authorisation granted by CriteriaCaixa's Board of Directors' resolution passed on 15 March 2018 on the basis of the authorisation granted by a decision of the sole shareholder of the Issuer taken on 15 March 2018, it is hereby signed by Mr. Xavier Moragas Freixa, in Palma this 10 May 2018.

Signed on behalf of Criteria Caixa, S.A.U.

By

Mr. Xavier Moragas Freixa

Representative/Director

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