



”la Caixa”

Don Marcelino Armenter Vidal, Director General Adjunto Ejecutivo de Caja de Ahorros y Pensiones de Barcelona (“la Caixa”), actuando en nombre y representación de la mencionada Entidad, domiciliada en Barcelona, Avenida Diagonal 621-629, provista de C.I.F. número A-08663619 e inscrita con el número 1 en el Registro de Cajas de Ahorros de la Generalitat de Catalunya. Con C.I.F. G-58899998 e inscrita en el Registro Mercantil Barcelona en el tomo 20397, folio 1, hoja B-5614, en relación con la denominada Nota de Admisión de los bonos emitidos por Caixa d’Estalvis i Pensions de Barcelona, “la Caixa” canjeables en acciones ordinarias de CaixaBank, S.A. (*“EUR 750,000,000 Senior Unsecured Exchangeable Bonds due 2017 Exchangeable for ordinary shares in CaixaBank, S.A.”*), inscrita por la Comisión Nacional del Mercado de Valores, en fecha 14 de abril de 2014 (en adelante, la “Nota de Admisión”), ante la COMISIÓN NACIONAL DEL MERCADO DE VALORES,

CERTIFICA

Que, el contenido del Nota de Admisión de los bonos emitidos por Caixa d’Estalvis i Pensions de Barcelona, “la Caixa” canjeables en acciones ordinarias de CaixaBank, S.A. (*“EUR 750,000,000 Senior Unsecured Exchangeable Bonds due 2017 Exchangeable for ordinary shares in CaixaBank, S.A.”*), inscrita por la CNMV en fecha 14 de abril de 2014, coincide exactamente con el que se presenta adjunto a la presente certificación en soporte informático y,

AUTORIZA

La publicación del texto de la Nota de Admisión a través de la página Web de la Comisión Nacional del Mercado de Valores

Y para que conste a los efectos oportunos, se expide la presente a 14 de abril de 2014

Don Marcelino Armenter Vidal

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA
(“LA CAIXA”)



EUR 750,000,000
Senior Unsecured Exchangeable Bonds due 2017
Exchangeable for ordinary shares in CaixaBank, S.A.

This Prospectus (Annex XIII and Annex XXII of the Commission Delegated Regulation (UE) No 486/2012 of 30 March 2012) has been approved by the *Comisión Nacional del Mercado de Valores* (the “**CNMV**”) on 14 April 2014 in its capacity as competent authority under Directive 2003/71/EC, as amended (including the amendments made by Directive 2010/73/EU) (the “**Prospectus Directive**”). The CNMV only approves this Prospectus as meeting the requirements imposed under EU law pursuant to the Prospectus Directive. Such approval relates only to Bonds that are to be admitted to trading on the regulated market of the Irish Stock Exchange (the “**Main Securities Market**”) or on another regulated market for the purposes of Directive 2004/39/EC (the “**Markets in Financial Instruments Directive**”). Application will be made to the Irish Stock Exchange (the “**Irish Stock Exchange**”) for Bonds to be admitted to its official list (the “**Official List**”) and trading on the Main Securities Market.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “**Documents Incorporated by Reference**”). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

This Prospectus, together with the “**Documento de Registro of Caixa d’Estalvis i Pensions de Barcelona**” (Annex XI of the Commission Regulation (EC) No 809/2004 of 29 April 2004), approved by the CNMV on 1 April 2014, comprises a prospectus for the purposes of the Prospectus Directive.

IMPORTANT INFORMATION

This Prospectus together with the “Documento de Registro of Caixa d’Estalvis i Pensions de Barcelona” (Annex XI of the Commission Regulation (EC) No 809/2004 of 29 April 2004), approved by the CNMV on 1 April 2014, comprises a prospectus for the purposes of the Prospectus Directive.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Prospectus nor any other information supplied in connection with the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any other information supplied in connection with the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue of the Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Bonds.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof.

PERSONS RESPONSIBLE

Marcelino Armenter Vidal, Deputy Executive Managing Director, acting on behalf of CAIXA D’ESTALVIS I PENSIONS DE BARCELONA, “la Caixa” (the “Issuer”), duly authorized by resolution of the Executive Committee of the Board of Directors passed on 13 November 2013 on the basis of the authorisation granted by a resolution of the General Assembly of the Issuer passed on 27 June 2013, is responsible for the information given in this Prospectus.

Marcelino Armenter Vidal declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer does not represent that this Prospectus may be lawfully distributed, or that any Bonds 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 Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this 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 Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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 (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

PRESENTATION OF INFORMATION

In this Prospectus, all references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

The language of the 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 applicable law.

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SUMMARY

(ANNEX XXII OF THE COMMISSION DELEGATED REGULATION (EC) NO 486/2012)

Information elements in the present summary (the “**Summary**”) are constructed on a modular basis comprising five sections (A-E) and consecutive subsections within each one of them according to the Commission Delegated Regulation (UE) No 486/2012 (for instance, B.1-B.50). Elements not included in this Summary refer to elements required for other types of prospectus. Elements which are required for this prospectus but are not applicable to these securities or this issuer appear with the mention “*not applicable*”.

Section A – Introduction and warnings

A.1	<p>Warning:</p> <ul style="list-style-type: none"> • This Summary should be read as introduction to the prospectus approved by the CNMV on 14 April 2014, which together with the “Documento de Registro de Caixa d’Estalvis i Pensions de Barcelona”, approved by the CNMV on 1 April 2014, comprises a prospectus for the purposes of the Prospectus Directive (the “Prospectus”). • Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. • Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. • Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to avoid investors when considering whether to invest in such securities.
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Section B - Issuer

B.1	<p>Legal and commercial name of the Issuer Legal name of the Issuer is Caixa d’Estalvis i Pensions de Barcelona. Commercial name of the Issuer is “la Caixa”.</p>
B.2	<p>Domicile and legal form of the Issuer, legislation and country of incorporation Domicile: Av. Diagonal 621-629, 08028 Barcelona, Spain.</p> <p>“La Caixa” is a financial institution incorporated in Spain governed by its Articles of Association, Legislative Decree 1/2008, of 11 March, regulating Catalan savings banks and is registered in the special register of the Catalan Government (Generalitat de Catalunya) and in the Special Register of Savings Banks kept by Banco de España (Central Bank of Spain).</p> <p>The special legislation to which the Issuer is subject arises from the Issuer’s status as a financial and credit institution. The Issuer is accordingly subject to the provisions emanating from economic and monetary government authorities (Bank of Spain, the central government’s Ministry of Economy and Finance), including the Credit Institution Supervision Act (Ley 26/1988), Bank of Spain Circular 4/2004 of 22 December 2004 on public and confidential financial reporting standards and model financial statements for credit institutions, Circular 2/2006 of 30 June 2006 on the statutory provisions on equity and consolidated supervision of financial institutions, Circular 3/2008 of 22 May 2008 on the determination and control of minimum equity, Royal Decree 216/2008 of 15 February 15 2008 on the equity of financial institutions, and the Securities Market Act (Ley 24/1988).</p>
B.4b	<p>Description of any known trends affecting the issuer and the industries in which it operates Savings Banks and Banking Foundation Law and reorganization of “la Caixa” Group In accordance with Transitional Provision One of Law 26/2013 of 27 December on Savings Banks and Banking Foundations, those savings banks carrying out its banking activity indirectly through an instrumental banking entity, must be converted into banking foundation by 30 December 2014. This is the case of “la Caixa”, which is a savings bank that from 1 July 2011 carries out its activity as credit institution indirectly through CaixaBank, S.A.. Under the provisions of Law 26/2013, the banking foundation’s objects must be social and its core activity focus on the development of welfare programs and appropriate management of its holding in a credit institution. The legal basis for banking foundations is to be found in Law 26/2013, supplemented by the legislation on foundations.</p> <p>From the point of view of supervision, banking foundations are distinct from ordinary foundations, as is their supervision by the Bank of Spain. The Bank of Spain is, indeed, responsible for monitoring compliance with the legislation apply to banking foundations as stakeholders in a credit institution. It assesses, in particular, the impact on the sound and prudent management of the banking institution based on the criteria established in the regime applying to major holdings in credit institutions.</p> <p>1. <u>Conversion of “la Caixa” into a banking foundation</u></p> <p>For the purposes of complying with this legal requirement, at the meeting held on 10 April 2014 the Board of Directors of “la Caixa” resolved to call the Annual General Assembly to be held on 22 May 2014, which will resolve on the conversion of “la Caixa” into a banking foundation. In accordance with the provisions of the Law on Savings Banks and Banking Foundations, the conversion into a banking foundation will involve that “la Caixa” will cease to be a credit institution (savings bank). However, the banking foundation will be supervised by the Bank of Spain with regard to its shareholding interest in CaixaBank as set forth in the Law on Savings Banks and Banking Foundations.</p> <p>2. <u>Restructuring operations of “la Caixa” Group</u></p> <p>In the context of the conversion of “la Caixa” into a banking foundation, other restructuring operations of “la Caixa” Group will be carried out. On the one hand, the Annual General Assembly of “la Caixa” to be held on 22 May 2014 will ratify, if it deems it appropriate, the dissolution and liquidation of Fundació Caixa d’Estalvis i Pensions de Barcelona (“la Caixa” Foundation”), which was approved by the Board of Trustees of “la Caixa” Foundation at the meetings held on 6 and 17 March 2014. Since the liquidation will be effected through a</p>

global transfer of assets and liabilities of "la Caixa" Foundation in favour of "la Caixa", the Annual General Assembly will also accept these assets and liabilities.

On the other hand, the Annual General Assembly of "la Caixa" to be held on 22 May 2014 will express, should it be the case, its desire that the banking foundation into which "la Caixa" will be converted approves a partial spin-off (*segregación*) and contribution to Criteria CaixaHolding, S.A.U. ("Criteria") of (i) "la Caixa" shareholding interest in CaixaBank, so that the banking foundation holds its shareholding interest in CaixaBank indirectly through Criteria, and (ii) the debt instruments of which "la Caixa" is the issuer, including the Bonds (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments).

3. Dissolution and liquidation of "la Caixa" Foundation

Currently "la Caixa" simultaneously carries out its activity as credit institution (savings bank) and the development of its Welfare Projects (*Obra Social*). Due to efficiency reasons, over the past two decades "la Caixa" has managed part of its Welfare Projects through "la Caixa" Foundation, which is an instrumental foundation of "la Caixa" which depends on the Board of Directors and the Committee for Social Works of "la Caixa".

Despite the fact that "la Caixa" Foundation has proved to be a very useful instrument during the period in which "la Caixa" has been a savings bank, as a result of "la Caixa" converting into a banking foundation and ceasing to be a savings bank, "la Caixa" Foundation becomes meaningless as an instrumental foundation through which part of the Welfare Projects of "la Caixa" are managed.

Considering the previous, on 27 February 2014 the Board of Directors of "la Caixa" instructed the Board of Trustees of "la Caixa" Foundation to pass all the necessary resolutions for its dissolution and liquidation. Following these instructions, the Board of Trustees of "la Caixa" Foundation, in the meetings held on 6 and 17 March 2014, resolved to dissolve and liquidate "la Caixa" Foundation.

The liquidation of "la Caixa" Foundation will take place through a global transfer of its assets and liabilities in favour of "la Caixa", which will continue to devote them to Welfare Projects. Thus, "la Caixa" will manage all its Welfare Projects directly. It is envisaged that the dissolution and liquidation of "la Caixa" Foundation will be completed during the last quarter of 2014, therefore, after the conversion of "la Caixa" into a banking foundation. In any case, the following is required for the global transfer of assets and liabilities to be effective: (i) the Annual General Assembly to be held on 22 May 2014 shall ratify the decision of the Board of Trustees with regards to the dissolution and liquidation of "la Caixa" Foundation and (ii) the relevant administrative authorisations shall be obtained.

4. Spin off in favour of Criteria

The banking foundation into which "la Caixa" will be converted will have as main activities: (i) the management of all the Welfare Projects, as mentioned above, and (ii) the economic activities related to the management of its shareholding interest in CaixaBank, the management of the debt instruments of which "la Caixa" is the issuer and the management of its shareholding interest in Criteria, which is the wholly-owned holding subsidiary by means of which "la Caixa" Group channels all its non-financial investments.

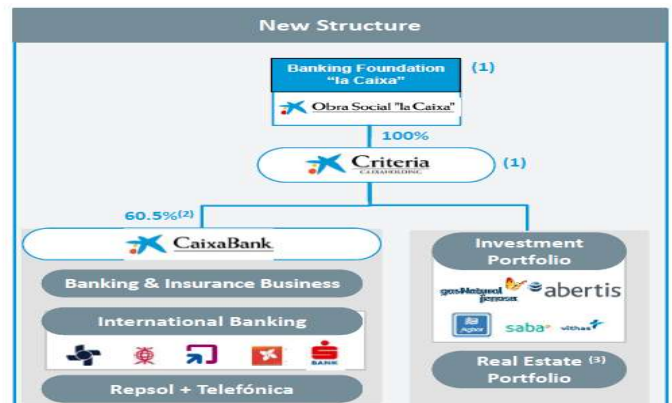
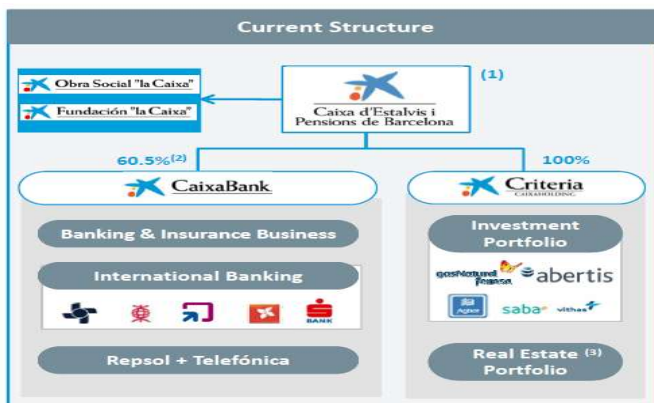
The proper development of all these activities advises to differentiate between the Welfare Projects and the economic activities unrelated to these. For this differentiation to be effective, the Annual General Assembly of "la Caixa" to be held on 22 May 2014 will express, if deemed appropriate, its wish that the banking foundation into which "la Caixa" is converted contributes to Criteria, by means of a spin-off, the shareholding interest in CaixaBank and the debt instruments of which "la Caixa" is the issuer, including the Bonds (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments).

This spin-off transaction will involve that the banking foundation into which "la Caixa" is converted directly manages the Welfare Projects which have traditionally characterized "la Caixa" and, moreover, that the management of the economic activities unrelated to the Welfare Projects is carried out indirectly through a single entity, Criteria, which will be the holding company not only of "la Caixa" Group non-financial investments, as it the case today, but also with regard to the shareholding interest held by "la Caixa" in CaixaBank and the debt instruments of which "la Caixa" is the issuer.

It is envisaged that, subject to the relevant resolutions of the banking foundation and Criteria being passed, the spin-off will be completed in the last quarter of 2014.

5. Conclusions

In conclusion, as shown in the chart below, in the last quarter, once the restructuring operations of "la Caixa" Group are completed, the banking foundation into which "la Caixa" is converted will: (i) directly manage the Welfare Projects traditionally developed by "la Caixa", without having "la Caixa" Foundation as instrument; and (ii) manage its controlling interest in CaixaBank (which is of 55.9%, on a fully diluted basis) and the debt instruments of which "la Caixa" is the current issuer (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments), indirectly through Criteria, a wholly-owned subsidiary of "la Caixa" (and of the banking foundation into which the latter will be converted) that will continue managing the non-financial investments of "la Caixa" Group.



⁽¹⁾ Once “la Caixa” has been transformed into a Banking Foundation it is foreseen to transfer all assets and liabilities not related to social welfare (“Obra Social”) to Criteria. This includes the full holding of CaixaBank shares and issued outstanding debt which on 31 March 2014 amounted to 7,805 million euro.

⁽²⁾ As of 31 March 2014 (55.9% fully diluted in 2017)

⁽³⁾ Outstanding real estate assets resulting from the Group reorganization in 2011

Notwithstanding the previous, since the terms of the Bonds do not specifically contemplate the substitution of the Issuer and given that it is unclear whether under English law a change of the Issuer can take place as a result of the partial segregation of the Issuer, a bondholders meeting is expected to be called to approve the change of the Issuer by Criteria. It is noted that the transfer of the shares of CaixaBank to Criteria under the segregation is permitted under the terms and conditions of the Bonds.

In accordance with article 423.2 of the Spanish Companies Law, the Commissioner shall determine whether the Bondholders General Meeting may be convened through the ordinary procedure foreseen in the Regulations (i.e., a notice published at least one month before the date set for the meeting on the webpage of “la Caixa”) or whether the procedure applicable to convene the shareholders general meeting is required.

New regulatory framework for solvency purposes

Until December 2013, the capital adequacy of financial institutions was regulated by Bank of Spain Circular 3/2008, which adapts the Spanish legal framework to European Directives 2006/48/EC and 2006/49/EC which, in turn, transposed EU legislation in accordance with the international Basel II accord.

In December 2010, the Basel Committee on Banking Supervision (BCBS) agreed upon a new regulatory framework, known collectively as Basel III. At the end of June 2013, the key points of the agreement became a harmonized set of regulations for the European Union through Regulation 575/2013 and Directive 2013/36/EU of the European Parliament and of the Council, both of which were passed on June 26, 2013. The Regulation became effective on 1 January 2014. The Directive is yet to be transposed into Spanish law. In this context, on 29 November 2013, Royal Decree-Law 14/2013 was passed to implement the most urgent changes. Among other measures, this RDL repealed the Principal Capital requirement introduced by RDL 2/2011, establishing only, as a transitional measure for 2014, the limit on the amount of Tier 1 capital recognized in the buffer of Principal Capital above the minimum requirement at 31 December 31 2013. “la Caixa” Group’s Principal Capital ratio at December 2013 stood at 12.7%, implying a buffer of €5,198 above the minimum capital requirement. Accordingly, in no case would the limits of RDL 14/2013 be applicable.

At a European level on 22 July 2013 the European Banking Authority (EBA) issued a recommendation (EBA/REC/2013/03) reformulating an earlier recommendation of December 2011, which set a minimum Core Tier 1 capital requirement of 9% for June 2012 to ensure that, during the transition to the application of Basel III, the absolute Core Tier 1 EBA did fall below the minimum requirements of June 2012. At December 2013, “la Caixa” Group had a Core Tier 1 EBA level as defined in the EBA recommendation of 8 December 2011 (EBA/REC/2011/1) of €17,722 million, which was €4,421 million above the June 2012 minimum requirement.

Capital adequacy

At 31 December 2013, “la Caixa” Group’s Core Capital and Tier 1 ratios stood at 12.7% and total eligible capital at 17.9% of risk-weighted assets, implying a buffer of €13,816 million above the minimum capital requirements of Circular 3/2008.

Risk-weighted assets (RWA) amounted to €139,161 million at 31 December 2013, a €32,469 million or 18.9% decrease on the December 2012 figure. This decrease in RWAs was driven by the reduction in lending activity, coupled with the Group’s success in optimizing capital, including the application of internal models to Banca Cívica portfolios, as well as the application of the weighting assigned to credit risk exposure in SMEs, in accordance with Law 14/2013 of September 2013 to support entrepreneurial initiatives. These effects were offset partially by the addition of assets from Banco de Valencia.

According to the new Basel III standards set out in Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, “la Caixa” Group’s Common Equity Tier 1 (CET 1, Core Capital) at 31 December 2013 on a fully-loaded basis (i.e. without applying the transitional period) was 8%. The minimum requirement for this ratio at the end of the transitional period in 2019 is 7%.

Including the transition period, “la Caixa” Group’s CET1 at 31 December 2013 under BIS III criteria applicable in 2014 according to the definitions set out in the new Bank of Spain Circular 2/2014 of January 31 would be 10.5%. In the transition period, convertible bonds are not included in CET 1. If they were included, the ratio would be 11.3%.

B.9 Profit forecast or estimate

Not applicable.

B.10 Qualifications in the audit report in the historical financial information

There are no qualifications in the audit reports relating to financial information of 2013 and 2012.

B.12 Selected historical key financial information

The consolidated financial statements have been prepared in accordance with the Commercial Code, International Financial Reporting Standards (hereinafter IFRSs) as adopted by the European Union through EU Regulations, in accordance with Regulation No 1606/2002 of the European Parliament and of the Council of July 19, 2002 and subsequent amendments, and bearing in mind the provisions of Bank of Spain Circular 4/2004 of 22 December on Public and Confidential Financial Reporting Rules and Formats for Credit Institutions, which constitutes the adaptation of the IFRSs adopted by the European Union to Spanish credit institutions

The following financial information has been verified by the auditors and is consistent with the figures stated in the consolidated financial statements for 2013.

a) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE LAST TWO COMPLETE FISCAL YEARS (AUDITED FIGURES) (Thousand of Euro)

ASSETS

	2013	% of total	2012	% of total	Variation (%)
Cash and balances with central banks	6.969.267	1,98%	7.856.562	2,19%	-11,29%
Financial assets held for trading	10.002.443	2,85%	15.925.451	4,44%	-37,19%
Debt securities	3.593.411	1,02%	1.489.723	0,41%	141,21%

Equity instruments	95.756	0,03%	85.840	0,02%	11,55%
Trading derivatives	6.313.276	1,80%	14.349.888	4,00%	-56,00%
<i>Memorandum items: Loaned or advanced as collateral</i>	188.079	0,05%	20.521	0,01%	816,52%
Other financial assets at fair value through profit or loss	450.206	0,13%	254.641	0,07%	76,80%
Loans and advances to credit institutions	0	0,00%	21.863	0,01%	-100,00%
Debt securities	212.118	0,06%	102.001	0,03%	107,96%
Equity instruments	238.088	0,07%	130.777	0,04%	82,06%
Available-for-sale financial assets	56.465.739	16,07%	51.257.692	14,28%	10,16%
Debt securities	52.118.556	14,84%	47.113.266	13,12%	10,62%
Equity instruments	4.347.183	1,24%	4.144.426	1,15%	4,89%
<i>Memorandum items: Loaned or advanced as collateral</i>	2.706.820	0,77%	2.953.885	0,82%	-8,36%
Loans and receivables	204.286.192	58,16%	220.737.929	61,49%	-7,45%
Loans and advances to credit institutions	5.840.215	1,66%	7.898.367	2,20%	-26,06%
Customer loans and advances	196.953.561	56,07%	210.476.925	58,63%	-6,43%
Debt securities	1.492.416	0,42%	2.362.637	0,66%	-36,83%
<i>Memorandum items: Loaned or advanced as collateral</i>	73.757.257	21,00%	88.838.055	24,75%	-16,98%
Held-to-maturity investments	17.830.752	5,08%	8.940.186	2,49%	99,44%
<i>Memorandum items: Loaned or advanced as collateral</i>	1.859.850	0,53%	154.048	0,04%	1107,32%
Adjustments to financial assets - macro-hedges	80.001	0,02%	96.191	0,03%	-16,83%
Hedging derivatives	4.535.585	1,29%	6.259.432	1,74%	-27,54%
Non-current assets held for sale	7.456.495	2,12%	6.564.704	1,83%	13,58%
Investments	16.052.326	4,57%	17.424.026	4,85%	-7,87%
Associates	9.683.466	2,76%	11.087.869	3,09%	-12,67%
Jointly controlled entities	6.368.860	1,81%	6.336.157	1,77%	0,52%
Reinsurance assets	519.312	0,15%	583.296	0,16%	-10,97%
Tangible assets	7.633.544	2,17%	6.561.123	1,83%	16,35%
Property and equipment	3.736.611	1,06%	3.895.033	1,09%	-4,07%
<i>For own use</i>	3.389.761	0,97%	3.531.840	0,98%	-4,02%
<i>Assigned to welfare projects</i>	346.850	0,10%	363.193	0,10%	-4,50%
Investment properties	3.896.933	1,11%	2.666.090	0,74%	46,17%
Intangible assets	4.375.546	1,25%	4.380.222	1,22%	-0,11%
Goodwill	3.047.216	0,87%	2.891.891	0,81%	5,37%
Other intangible assets	1.328.330	0,38%	1.488.331	0,41%	-10,75%
Tax assets	10.796.383	3,07%	8.416.190	2,34%	28,28%
Current	338.963	0,10%	397.526	0,11%	-14,73%
Deferred	10.457.420	2,98%	8.018.664	2,23%	30,41%
Other assets	3.814.771	1,09%	3.731.191	1,04%	2,24%
Inventories	2.324.459	0,66%	2.398.784	0,67%	-3,10%
Other	1.490.312	0,42%	1.332.407	0,37%	11,85%
Total assets	351.268.562	100,00%	358.988.836	100,00%	-2,15%
Memorandum items					
Contingent liabilities	10.341.715		10.479.869		
Contingent commitments	52.985.486		51.619.636		

LIABILITIES AND EQUITY

	2013	% of total	2012	% of total	Variation (%)
Liabilities					
Financial liabilities held for trading	7.890.643	2,25%	15.928.181	4,44%	-50,46%
Trading derivatives	6.269.225	1,78%	14.379.797	4,01%	-56,40%
Short positions	1.621.418	0,46%	1.548.384	0,43%	4,72%
Other financial liabilities at fair value through profit or loss	1.252.065	0,36%	1.019.706	0,28%	22,79%
Customer deposits	1.252.065	0,36%	1.019.706	0,28%	22,79%
Financial liabilities at amortized cost	270.010.154	76,87%	276.835.232	77,12%	-2,47%
Deposits from central banks	20.049.617	5,71%	32.976.829	9,19%	-39,20%
Deposits from credit institutions	20.691.832	5,89%	18.958.863	5,28%	9,14%
Customer deposits	174.958.356	49,81%	160.599.066	44,74%	8,94%
Marketable debt securities	38.684.073	11,01%	46.785.703	13,03%	-17,32%
Subordinated liabilities	12.265.111	3,49%	13.667.647	3,81%	-10,26%
Other financial liabilities	3.361.165	0,96%	3.847.124	1,07%	-12,63%

Adjustments to financial liabilities - macro-hedges	2.195.517	0,63%	3.643.957	1,02%	-39,75%
Hedging derivatives	1.017.223	0,29%	1.092.142	0,30%	-6,86%
Liabilities under insurance contracts	32.028.006	9,12%	26.511.379	7,39%	20,81%
Provisions	4.501.365	1,28%	3.622.453	1,01%	24,26%
Provisions for pensions and similar obligations	2.791.781	0,79%	2.651.782	0,74%	5,28%
Provisions for taxes and other legal contingencies	467.317	0,13%	142.722	0,04%	227,43%
Provisions for contingent liabilities and commitments	528.990	0,15%	126.414	0,04%	318,46%
Other provisions	713.277	0,20%	701.535	0,20%	1,67%
Tax liabilities	2.064.960	0,59%	2.420.693	0,67%	-14,70%
Current	33.665	0,01%	504.754	0,14%	-93,33%
Deferred	2.031.295	0,58%	1.915.939	0,53%	6,02%
Welfare Fund	974.995	0,28%	999.788	0,28%	-2,48%
Other liabilities	2.096.168	0,60%	2.122.294	0,59%	-1,23%
Total liabilities	324.031.096	92,25%	334.195.825	93,09%	-3,04%
Equity					
Shareholders' equity	16.515.698	4,70%	16.600.206	4,62%	-0,51%
Capital or endowment fund	3.006	0,00%	3.006	0,00%	0,00%
Issued	3.006	0,00%	3.006	0,00%	0,00%
Reserves	15.767.783	4,49%	16.462.243	4,59%	-4,22%
Accumulated reserves/(losses)	12.244.067	3,49%	13.134.264	3,66%	-6,78%
Reserves/(losses) of entities accounted for using the equity method	3.523.716	1,00%	3.327.979	0,93%	5,88%
Profit attributable to the Group	744.909	0,21%	134.957	0,04%	451,96%
Valuation adjustments	420.032	0,12%	(17.196)	0,00%	-2542,61%
Available-for-sale financial assets	740.669	0,21%	246.788	0,07%	200,12%
Cash flow hedges	(11.990)	0,00%	(34.114)	-0,01%	-64,85%
Exchange differences	(42.579)	-0,01%	(840)	0,00%	4968,93%
Entities accounted for using the equity method	(266.068)	-0,08%	(229.030)	-0,06%	16,17%
Non-controlling interests	10.301.736	2,93%	8.210.001	2,29%	25,48%
Valuation adjustments	295.936	0,08%	6.796	0,00%	4254,56%
Other	10.005.800	2,85%	8.203.205	2,29%	21,97%
Total equity	27.237.466	7,75%	24.793.011	6,91%	9,86%
Total equity and liabilities	351.268.562	100,00%	358.988.836	100,00%	-2,15%

b) CONSOLIDATED INCOME STATEMENTS FOR THE LAST TWO COMPLETE FISCAL YEARS (AUDITED FIGURES)
(Thousand of Euro)

	2013	2012	Change (%)
Interest and similar income	9.172.666	9.043.938	1,42%
Interest expense and similar charges	(5.585.399)	(5.605.413)	-0,36%
NET INTEREST INCOME	3.587.267	3.438.525	4,33%
Return on equity instruments	106.882	227.793	-53,08%
Income accounted for using the equity method	1.019.340	1.400.993	-27,24%
Fee and commission income	1.909.906	1.841.581	3,71%
Fee and commission expense	(152.446)	(144.720)	5,34%
Gains/(losses) on financial assets and liabilities (net)	676.477	298.250	126,82%
Held for trading	192.765	45.229	326,20%
Other financial instruments not measured at fair value through profit or loss	279.019	33.508	732,69%
Other	204.693	219.513	-6,75%
Exchange differences (net)	4.386	157.268	-97,21%
Other operating income	1.203.882	958.822	25,56%
Income from insurance and reinsurance contracts	574.652	504.349	13,94%
Sales and income from provision of non-financial services	349.425	284.123	22,98%
Other operating income	279.805	170.350	64,25%
Other operating expenses	(1.274.161)	(952.319)	33,80%
Expenses from insurance and reinsurance contracts	(475.231)	(319.324)	48,82%
Changes in inventories	(125.658)	(64.791)	93,94%
Other operating expenses	(673.272)	(568.204)	18,49%
GROSS INCOME	7.081.533	7.226.193	-2,00%

Administrative expenses	(4.459.581)	(3.326.554)	34,06%
Personnel expenses	(3.511.968)	(2.515.384)	39,62%
Other general administrative expenses	(947.613)	(811.170)	16,82%
Amortization and depreciation	(497.853)	(410.450)	21,29%
Provisions (net)	(140.861)	22.271	-732,49%
Impairment losses on financial assets (net)	(4.196.919)	(4.078.617)	2,90%
Loans and receivables	(3.972.580)	(3.835.952)	3,56%
Other financial instruments not measured at fair value through profit or loss	(224.339)	(242.665)	-7,55%
NET OPERATING INCOME/(LOSS)	(2.213.681)	(567.157)	290,31%
Impairment losses on other assets (net)	(384.948)	(877.066)	-56,11%
Goodwill and other intangible assets	(41.187)	(8.816)	367,18%
Other assets	(343.761)	(868.250)	-60,41%
Gains/(losses) on disposal of assets not classified as non-current assets held for sale	578.318	956.546	-39,54%
Negative goodwill in business combinations	2.289.074	0	-
Gains/(losses) on non-current assets held for sale not classified as discontinued operations	(772.480)	(76.086)	915,27%
PROFIT/(LOSS) BEFORE TAX	(503.717)	(563.763)	-10,65%
Income tax	1.398.251	778.625	79,58%
Mandatory transfer to welfare funds	0	0	0,00%
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	894.534	214.862	316,33%
Profit from discontinued operations (net)	0	0	0,00%
CONSOLIDATED PROFIT FOR THE YEAR	894.534	214.862	316,33%
Profit attributable to the Parent	744.909	134.957	451,96%
Profit attributable to non-controlling interests	149.625	79.905	87,25%

There has been no material adverse change in the prospects of "la Caixa" since the date of its last published audited financial statements.

B.13 Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency (See Element B.4b)

B.14 Description of the Group and the Issuer's position within the Group. Dependence of the Issuer upon other entities within the Group

Caixa d'Estalvis I Pensions de Barcelona, "la Caixa", the parent of "la Caixa" Group, carries out a banking business model focused on savings and loans. Until 2011, this activity was performed directly by "la Caixa".

Since July 1, 2011, following its reorganization, "la Caixa" carries out its financial activity indirectly through its holding in CaixaBank, a bank listed on the stock exchanges of Barcelona, Bilbao, Madrid and Valencia.

CaixaBank, the majority shareholder of which is "la Caixa" (60.5% at 31 March 2014), is a benchmark entity in the Spanish market in both finance and insurance business. The bank is also diversifying into other complementary activities, such as holdings in international banks and in Telefónica and Repsol.

Through Criteria CaixaHolding (a solely-owned company), "la Caixa" implements a strategy of acquiring shareholdings in various key economic sectors for the community, including Abertis (transport and communications infrastructure management), Gas Natural Fenosa (energy distribution), Aguas de Barcelona (water distribution) and SABA (car park and logistic park management). In addition, Criteria CaixaHolding owns the property assets acquired through "la Caixa" Group's lending activity until February 2011 (on 14 November 2013 the decision was made for Servihabitat XXI to be merged into Criteria; this merger has no effect on the consolidated financial statements of the "la Caixa" Group for the year ended 31 December 2013).

"la Caixa" Foundation's social welfare projects are the essential and differential feature of the "la Caixa" Group. The Foundation's mission is to return part of the Group's financial earnings in the form of supportive social initiatives offering solutions to present-day challenges and needs. The welfare projects aim to contribute to sustainable social transformation and create opportunities for all.

Therefore, the Issuer's income derives primarily from the dividends generated by both its activities: firstly, its banking activity through CaixaBank, and, secondly, management of its industrial shareholders through Criteria CaixaHolding. This income makes it possible to provide to the Foundation the funds needed to pursue its welfare projects, and to strengthen its balance sheet by increasing its retained earnings.

In accordance with Transitional Provision One of Law 26/2013 of 27 December on Savings Banks and Banking Foundations, those savings banks carrying out its banking activity indirectly through an instrumental banking entity, must be converted into banking foundation by 30 December 2014. This is the case of "la Caixa", which is a savings bank that from 1 July 2011 carries out its activity as credit institution indirectly through CaixaBank, S.A.. Until that time, it shall be governed by Law 31/85 of August, regulating the basic rules on governing bodies of savings banks, by the corresponding implementing regulations, and, where applicable, by the provisions of Royal Decree-Law 11/2010, of July 9, on the governing bodies and other matters relating to the legal framework for savings banks, including their taxation, and article 8.3.d) of Law 13/1985, of May 25, on investment ratios, capital requirements and disclosure obligations for financial intermediaries.

Under the provisions of Law 26/2013, the banking foundation's objects must be social and its core activity focus on the development of welfare programs and appropriate management of its holding in a credit institution. The legal basis for banking foundations is to be found in Law 26/2013, supplemented by the legislation on foundations.

From the point of view of supervision, banking foundations are distinct from ordinary foundations, as is their supervision by the Bank of Spain. The Bank of Spain is, indeed, responsible for monitoring compliance with the legislation apply to banking foundations as

	<p>stakeholders in a credit institution. It assesses, in particular, the impact on the sound and prudent management of the banking institution based on the criteria established in the regime applying to major holdings in credit institutions.</p> <p>(See Element B.4.b - <i>Savings Banks and Banking Foundation Law and reorganization of "la Caixa" Group</i>)</p>
B.15	<p>Description of the Issuer's principal activities</p> <p>"la Caixa" is the parent company of a Group that operates in three main areas: banking (through CaixaBank), investments (through Criteria CaixaHolding) and welfare programs.</p> <p>Banking business:</p> <p>"la Caixa" carries out its financial activity indirectly through its holding in CaixaBank, a bank listed on the Spanish stock exchanges, (holding a stake of 60.5% at 31 March 2014). Its core business is the provision of financial services in the retail market (attraction of customer funds and granting of credits, together with the provision of all types of banking services: payment methods, securities transactions, currency exchange, etc.) with commercial management adapted to customer requirements.</p> <p>CaixaBank Group's sales and marketing campaigns are aimed at securing the loyalty of its 13.6 million customers. The network of 5,730 bank branches and 31,948 employees are especially involved in this task at 31 December 2013 (5,920 bank branches and 32,347 employees at December 31, 2012).</p> <p>At 31 December 2013, banking business volume, which combines customer deposits and loans in accordance with management criteria, amounts to €510,835 million (€513,977 million at 31 December 2012).</p> <p>Total profit attributable to the CaixaBank Group amounted to €503 million in 2013, which was markedly higher than the 2012 figure of €230 million.</p> <p>Equity portfolio:</p> <p>Criteria CaixaHolding (a wholly owned subsidiary of "la Caixa") is "la Caixa" Group's investment company, with shareholding in strategic sectors such as energy, infrastructure and services and real estate. Criteria CaixaHolding actively manages its portfolio of investments.</p> <p>At 31 December 2013, the net asset value (NAV) of Criteria CaixaHolding's portfolio was €10,662 million. The portfolio features top-tier companies.</p> <p>Criteria CaixaHolding plays an active role in the governing bodies of such investees, collaborating with the management teams of these investees in defining their future strategies and contributing to the medium to long-term development of their business activities.</p> <p>Welfare projects:</p> <p>"la Caixa"'s social welfare budget for 2014 is €500 million. This expenditure level on welfare projects makes "la Caixa" the leading private foundation in Spain and one of the most important in the world. The priority is to continue addressing people's basic needs. 67.0% of the budget (€334.9 million) has been allocated to programs to meet society's social and care needs. Assistance in the creation of jobs, the fight against poverty and social exclusion and access to housing for disadvantaged groups are some of "la Caixa" Foundation's strategic courses of action.</p>
B.16	<p>To the extent known by the Issuer, whether it is directly or indirectly owned or controlled by another group.</p> <p>(Not applicable)</p>
B.17	<p>Credit Ratings</p> <p>The Issuer has been rated BBB- (long term) with negative outlook by Fitch Ratings España, S.A.U. ("Fitch") on 8 November 2013. Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation.</p>

Section C - Securities

C.1	<p>Description of type and class of the securities being admitted to trading, including any security identification number</p> <p>Securities being admitted to trading are senior unsecured bonds exchangeable for ordinary shares in CaixaBank, S.A. in the principal amount of EUR 100,000 each (the "Bonds"). The Bonds are represented by a Global Bond in registered form, without coupons, deposited with a common depository on behalf of Clearstream and Euroclear. The Global Bond will be exchangeable for definitive Bonds in registered form in limited circumstances only.</p> <p>ISIN: XS0995390621</p>
C.2	<p>Currency of the securities issue.</p> <p>Euro</p>
C.5	<p>Restrictions on free transferability of the securities</p> <p>Bonds which are represented by a Global Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.</p> <p>Additionally, there are restrictions on offers and sales of the Bonds, inter alia, in the United States.</p>
C.8	<p>Rights attached to the securities including ranking and any limitations to those rights</p> <p>Exchange Rights</p> <p>Each Bondholder shall have the right to have all or any of its Bonds redeemed at any time during the Exchange Period by exchange for a pro rata share of the Exchange Property at the relevant Exchange Date.</p> <p>Should there be a fraction, such fraction will be rounded down to the nearest whole multiple of a unit of the property comprised in the Exchange Property.</p> <p>The initial Exchange Property comprises 164,835,164 CaixaBank Shares and shall include such other relevant securities and other property as may be deemed or required to comprise all or part of the Exchange Property, but excluding any such property as may be deemed to have ceased to form part of the Exchange Property and excluding any cash dividend other than to the extent comprising a capital distribution and excluding any other income and other benefits, rights and entitlements derived from the Exchange Property except</p>

to the extent forming or to form part of or giving rise to an adjustment to the Exchange Property. If at any time any of the following events occurs which may result in a change of the composition of the Exchange Property, the Calculation Agent shall determine the appropriate adjustment (if any) to be made to the Exchange Property: (i) sub-division, consolidation or redenomination; (ii) right issues; and (iii) bonus issues, capital distributions, reorganizations and payments.

Exchange Period: any time during the period from (and including) 6 January 2014 up to (and including) the close of business (at the place where the relevant certificate in respect of the Bond is deposited for exchange) on the date which falls 14 days prior to the Final Maturity Date (25 November 2017) or if such Bond is to be redeemed at the option of the Issuer prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the date which falls 14 days prior to the date fixed for redemption thereof.

The Exchange Period may be extended under certain circumstances, such as default in making payment in respect to such Bond on such date fixed for redemption.

Exchange Rights may not be exercised if there has been given notice stating the occurrence of an event of default.

Exchange Rights may not be exercised in circumstances where the relevant Exchange Date would fall during the period commencing on the record date in respect of any payment of interest on the Bonds and ending on the relevant interest payment date (both days inclusive).

Exchange Rights shall be suspended during a certain period if the Issuer accepts an offer for the CaixaBank Shares and it is or becomes unconditional in all respects.

For so long as the Global Bond is held on behalf of any one or more of Euroclear, Clearstream, or any alternative clearing system, Exchange Rights may be exercised as against the Issuer at any time during the Exchange Period, except as otherwise provided above, by the presentation to or to the order of the Fiscal Agent of the Global Bond, together with one or more Exchange Notices duly completed by or on behalf of a holder of a book-entry interest, in accordance with the standard procedures for Euroclear and/or Clearstream and/or any alternative clearing system (which may include notice being given on such account holder's instructions by Euroclear and/or Clearstream and/or any alternative clearing system or any common depositary for them to the Fiscal Agent by electronic means) and in a form acceptable to Euroclear and/or Clearstream, Luxembourg and/or any alternative clearing system.

Bondholders may be required to certify certain terms, including that they are outside the United States and/or they are not a U.S. Person, in order to exercise the Exchange Rights.

Exchange Rights are not exercisable in respect of any specific CaixaBank Shares or other property comprising Exchange Property from time to time and no CaixaBank Shares or other Exchange Property has been or will be charged, pledged or otherwise placed in custody or set aside to secure or satisfy the Issuer's obligations in respect of the Exchange Rights. At any time the Issuer may or may not be the owner of the whole or any part of CaixaBank Shares or other property comprising Exchange Property from time to time and the Issuer is not under any obligation to hold any CaixaBank Shares and/or other Exchange Property and may sell or otherwise dispose of the same at any time. There is not any security interest in favour of Bondholders to secure the debt obligations of the Bonds or to secure performance of the Exchange Rights thereunder.

Accordingly, in the event the Issuer at any time holds any CaixaBank Shares or other property comprising Exchange Property from time to time and the Issuer is or becomes insolvent, bankrupt or in liquidation, such Exchange Property will form part of the assets of the Issuer available on a *pari passu* basis to all of its unsecured creditors.

No voting rights

Bondholders shall have no voting rights in respect of the CaixaBank Shares or any other part of the Exchange Property prior to their delivery or transfer to the relevant Bondholder and, where required, the registration in any relevant registries.

In exercising any voting rights attaching to the CaixaBank Shares and any other part of the Exchange Property that it may have or making any such election to which it may be entitled, the Issuer is not obliged to take account of the interests of the Bondholders and accordingly the Issuer may act in a manner in connection therewith which is contrary to the interests of the Bondholders.

Ranking

The Bonds will constitute direct, unconditional, unsubordinated and, subject to the provisions of the negative pledge, unsecured obligations of the Issuer and will rank *pari passu*, without preference, among themselves.

C.9 Issue date, maturity date, interest rate, indication of yield, redemption and representative of the bondholders

Issue Date: 25 November 2013

Final Maturity Date: 25 November 2017

Interest Rate: 1.00 per cent. per annum payable semi-annually in arrear on 25 May and 25 November in each year, commencing with the Interest Payment Date falling on 25 May 2014.

Yield to Maturity: 1.00 per cent. per annum

Redemption:

Unless previously exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Final Maturity Date

• Redemption at the option of the Issuer:

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount together with accrued interest to the relevant date fixed for redemption:

- For tax reasons if the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations.
- On or after 16 December 2015, provided that the value of the pro rata share of the Exchange Property attributable to each €100,000 principal amount of Bonds shall have exceeded €130,000
- If the Exchange Property consists wholly of cash following a public offer
- If, prior to the date on which the relevant notice of redemption is given Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds).

• Redemption at the option of the Bondholders:

Following the occurrence of a Free Float Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond at its principal amount, together with accrued and unpaid interest to the relevant date.

	<p>"Free Float" means the aggregate number of CaixaBank Shares held by persons other than members of the board of directors that own (together with any other person or persons with whom they act in concert, as defined in the Spanish Royal Decree 1066/2007 of 27 July on the rules applicable to takeover bids for securities and any amending and implementation regulation) CaixaBank Shares representing less than 5 per cent. of the total number of issued and outstanding CaixaBank Shares.</p> <p>A "Free Float Event" shall occur if for any period of at least 30 consecutive days the number of CaixaBank Shares comprising the Free Float is equal to or less than 25 per cent. of the total number of issued and outstanding CaixaBank Shares.</p> <ul style="list-style-type: none"> • <i>Share Redemption Option:</i> <p>Under certain circumstances, the Issuer may elect to satisfy its obligation to redeem all, but not some only, of the Bonds on the Final Maturity Date by exercising its "Share Redemption Option" by giving notice to such effect specifying the relevant Exchange Property which shall apply in respect of each Bond. The Issuer shall then, in lieu of redeeming the relevant Bonds in cash, effect redemption in respect of the Bonds by delivering to Bondholders all or part of the pro rata share of the Exchange Property in respect of the Bonds, pay a relevant cash settlement amount in respect of each Bond and pay to the relevant Bondholder in cash any accrued and unpaid interest in respect of such Bonds up to the Final Maturity Date. The Share Redemption Option notice shall inform Bondholders accordingly.</p> <p>Representation of the Bondholders:</p> <p>The regulations containing the rules governing the Syndicate of Bondholders and the rules governing its relationship with the Issuer (the "Regulations") are attached to the Public Deed (<i>escritura pública</i>) executed before a Spanish notary public in relation to the issue of the Bonds registered with Barcelona's Mercantile Registry.</p> <p>Structured Finance Management (Spain) S.L. has been appointed as temporary Commissioner for the Bondholders. Bondholders shall, by virtue of purchasing and/or holding Bonds, be deemed to have agreed to: (i) the appointment of the temporary Commissioner; and (ii) become a member of the Syndicate of Bondholders.</p> <p>"Commissioner" means <i>comisario</i> as this term is defined under the Spanish Law on Capital Companies (Ley de Sociedades de Capital) of the Syndicate of Bondholders; and</p> <p>"Syndicate of Bondholders" means <i>sindicato</i> as this term is described under the Spanish Law on Capital Companies (Ley de Sociedades de Capital).</p> <p>Copies of the Regulations are available at the offices of the Commissioner (Paseo de la Castellana 143 - 11th Floor, 28046 Madrid) and of the Fiscal Agent (Citibank, N.A., London Branch, Citigroup Center, Canada Square, London E14 5LB).</p>
C.20	<p>Description of the type of underlying and where information on the underlying can be found</p> <p>The Bonds are exchangeable for CaixaBank Shares. CaixaBank Shares constitute ordinary shares in the capital of CaixaBank S.A. (ISIN ES0140609019 / Bloomberg CABK SM / Reuters CABK.MC).</p> <p>Financial and business information relating to CaixaBank, CaixaBank Group and CaixaBank Shares, including details as to the past and further performance of CaixaBank Shares and their volatility, is available from the following sources:</p> <ul style="list-style-type: none"> • the <i>Documento de Registro</i> relating to CaixaBank, dated 27 June 2013, available at the website of the <i>Spanish Securities Market Commission (the "CNMV")</i> (http://www.cnmv.es/Portal/verDoc.axd?t={f2657c70-a028-49af-bcb0-14332719a82e}); • the auditors' report and audited consolidated annual financial statements of CaixaBank for the financial year ended 31 December 2013 (http://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Informacion_Economica_Financiera/MEM_GRUPCAIXABANK_201312_INGLES_WEB.pdf and http://www.cnmv.es/AUDITA/2013/14921.pdf) • the website of the Spanish Stock Exchange (Madrid): (http://www.bolsamadrid.es/ing/asp/Empresas/FichaValor.aspx?ISIN=ES0140609019&ClvEmis=40609);
C.21	<p>Market where the securities will be traded and for which prospectus has been published</p> <p>Bonds are to be admitted to trading on the regulated market of the Irish Stock Exchange (the "Main Securities Market") or on another regulated market for the purposes of Directive 2004/39/EC. Application will be made to the Irish Stock Exchange for Bonds to be admitted to its official list (the "Official List") and trading on the Main Securities Market.</p>

Section D – Risks

D.2	<p>Key risks specific to the Issuer</p> <p><u>Organization of the risk function</u></p> <p>"la Caixa" Group is the framework in which risk management at "la Caixa", CaixaBank and Criteria CaixaHolding subsidiaries is coordinated and carried out:</p> <ul style="list-style-type: none"> • Through Criteria CaixaHolding (a fully owned "la Caixa" non listed company), "la Caixa" implements a strategy of acquiring shareholdings in various key economic sectors for the community, including Abertis (transport and communications infrastructure management), Gas Natural Fenosa (energy distribution), Aguas de Barcelona (water distribution) and SABA (car park and logistic park management). In addition, Criteria CaixaHolding owns the property assets acquired through "la Caixa" Group's lending activity before "la Caixa" Group's reorganization in 2011. • "la Caixa" carries out its financial activity indirectly through its holding in CaixaBank (holding a stake of 60.5% at 31 March 2014). Its core business is the provision of financial services in the retail market (attraction of customer funds and granting of credits, together with the provision of all types of banking services: payment methods, securities transactions, currency exchange, etc.) with commercial management adapted to customer requirements. <p>According to the structure and organization described above, most of the key risks specific to "la Caixa" Group are related to the banking and financial activity carried out indirectly through CaixaBank:</p> <p><u>Credit risk</u></p> <p>Credit risk is the most significant risk item on "la Caixa" Group's balance sheet, and arises from the banking and insurance business,</p>
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treasury operations and the equity portfolio. The following credit risk issues must be highlighted:

- *Customer credit risk*

"la Caixa" Group gears its lending activity towards meeting the finance needs of households and businesses. The Group's credit risk management is characterized by a prudent approvals policy and appropriate coverage.

The lending portfolio is highly diversified and fragmented, and credit risk is therefore reduced. In terms of geographic distribution, lending activity by "la Caixa" Group is mainly concentrated in Spain.

Doubtful loans amounted to €25,365 million and €20,154 million at 31 December 2013 and 31 December 2012 respectively. The NPL ratio (doubtful loans as a percentage of total risk) stood at 11.70% at 31 December 2013 (8.70% at 31 December 2012), which is still lower than the ratio for the Spanish financial system as a whole (which, according to the figures for December 2013, stood at 13.61%).

- *Problematic assets in the construction and property development sector*

For completed projects, the possibility of helping with the sale is analyzed through Servihabitat Servicios Inmobiliarios, SL, which is 49%-owned by CaixaBank and exclusively manages, for a period of 10 years, CaixaBank Group's real estate assets, including the properties of BuildingCenter, SAU, and VIP Gestión de Inmuebles, SLU, property holding companies of CaixaBank Group and Criteria CaixaHolding Group, in which "la Caixa" has a direct stake. Since the reorganization of the Group in 2011, BuildingCenter owns the real estate assets deriving from CaixaBank's lending activity. In 2013 and 2012, BuildingCenter, SAU acquired €4,838 million and €3,860 million of real estate assets, respectively.

The level of coverage for real estate developers and developments considered problematic assets (doubtful and substandard) at 31 December 2013 stood at 53.7% (38.2% at 31 December 2012). At 31 December 2013, allowances for assets in the sector not related to specific operations, which at 31 December 2012 amounted to €2,248 million, were reassigned to specific operations.

- *Non Performing Loans Ratio (NPL)*

"la Caixa" Group's non-performing loans (NPL) ratio at 31 December 2013 was 11.70%, i.e. below the sector average.

- *Refinancing policies*

On 30 April 2013, the Bank of Spain issued a document containing the guidelines for establishing a benchmark to facilitate compliance with Circular 4/2004, to further reinforce the definition, documentation, monitoring and review of financing policies, and to guarantee consistency in the criteria used by the various financial institutions. In the first half of 2013, CaixaBank carried out its review, through individual studies, of the accounting classification of refinanced and restructured portfolios. In the first half of 2013, the initial individual review led to the reclassification of €3,287 million of assets classified as standard to doubtful, and €768 million to substandard. This review led to the recognition of higher provisions for refinanced operations, of €540 million, of which €375 million were charged to profit and loss for the year.

Market risk

The financial activity of credit institutions involves assuming market risk. In all instances, risk refers to the potential loss of profitability or portfolio value as a result of adverse fluctuations in market rates or prices. There are two types of measurements or market standards for the measurement of this risk: sensitivity and VaR (value at risk).

In order to cover the risks assumed by certain items, The Group enters into fair value micro-hedges: transactions in which the hedged item in either asset or liability transactions fully offsets the hedging instrument, usually a derivative. "la Caixa" Group enters into these hedges on individual items, offsetting all the market risk factors of the item to be hedged.

The Group's management of the structural balance sheet interest rate risk has a two-fold objective: first, to reduce the sensitivity of net interest income to interest rate fluctuations; and second, to preserve the economic value of the balance sheet. To attain these objectives, risk is actively managed by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementary nature of the sensitivity to interest rate fluctuations of the deposits and lending transactions arranged with customers.

At 31 December 2013, the Group used fair value macro-hedges as a strategy to mitigate its exposure to interest-rate risk. By entering into financial derivatives in the market, this macro-hedge hedges the risk of fixing interest rates on CaixaBank loans indexed to the 12-month Euribor rate.

The sensitivity of net interest income shows the impact on the review of balance sheet transactions caused by changes in the interest rate curve. This sensitivity is determined by comparing a net interest income simulation, at one or two years, on the basis of various interest rate scenarios. The most likely scenario, which is obtained using the implicit market rates, is compared against other scenarios of rising or falling interest rates and parallel and non-parallel movements in the slope of the curve. The one-year sensitivity of net interest income to sensitive balance sheet assets and liabilities, taking account of scenarios of rising and falling interest rates of 100 basis points each, is approximately -7.64% on the rising scenario and +5.08% on the falling scenario. Given the current level of interest rates, it should be pointed out that the scenario of a 100bp fall does not imply the application of negative interest rates.

In accordance with current regulations, "la Caixa" Group does not use its own funds for the structural interest rate risk assumed, in view of the low risk profile of its balance sheet. Even when the balance sheet interest rate risk assumed by the Group is substantially below levels considered significant (outliers), in keeping with regulations "la Caixa" Group continues to take a series of steps towards more intense monitoring and management of balance sheet interest rate risk.

Market risk of treasury positions is monitored on a daily basis, i.e. contracts traded, calculation of how changes in the market will affect the positions held (daily marked-to-market result), quantification of market risk assumed, compliance with thresholds, and analysis of the ratio of actual returns to assumed risk.

The Bank of Spain approved the internal model for estimating capital for market risk of trading activities in 2006. The scope of the model covers virtually all strict treasury positions and the trading derivatives over investees. In 2013, the average 1-day VaR for trading activities was €7 million. The highest market risk levels, up to €13.1 million, were reached in March, mainly as VaR anticipates a potentially different movement in the daily market value of equity positions (mainly transactions with equity derivatives).

Incremental default and migration risk reflect the risk related to changes in credit ratings or breach of positions in fixed-income instruments and credit derivatives in the trading portfolio, with a confidence level of 99.9% and a one-year time horizon. The average values of these risk measures in 2013 were €11.1 million and €25.9 million, respectively.

Currency risk

This is the risk created mainly by potential fluctuations in the value of foreign currency-denominated assets and liabilities. The equivalent euro value of foreign currency assets and liabilities held by CaixaBank at 31 December 2013 and 31 December 2012 is as follows:

(Thousands of euros)

	31.12.2013	31.12.2012
Total foreign currency assets	6,435,741	6,772,510
Total foreign currency liabilities	8,113,103	7,121,532

Remaining minor foreign currency positions are held with credit institutions in major currencies (e.g. dollars, sterling and Swiss francs). Methods for quantifying the positions are applied alongside the risk measurements used for the treasury activity as a whole.

Sovereign risk exposure

“la Caixa” Group’s position in sovereign debt is subject to its general risk-taking policy, which ensures that all positions taken are aligned with the target risk profile.

The following table shows the book value of the most significant sovereign risk exposures at 31 December 2013. The figures are broken down to distinguish between positions held directly by CaixaBank and positions held by “la Caixa” subsidiary insurance group, the largest entity of which is VidaCaixa, SA de Seguros y Reaseguros.

31.12.2013 (CaixaBank and Insurance Group)

		Held for trading		Available-for-sale financial assets	Loans and receivables	Held to maturity investments
		Debt securities	Short positions			
Spain	CaixaBank	3.211.069	-1.543.212	15.911.749	10.165.720	11.198.028
	Insurance group	0	0	22.783.607	0	0
Italy	CaixaBank	100.207	-78.206	0	0	0
	Insurance group	0	0	865.533	0	0
Belgium	CaixaBank	10.493	0	0	0	0
	Insurance group	0	0	19.394	0	0
Rest	CaixaBank	204.216	0	422.379	38.962	0
	Insurance group	0	0	93.346	0	0

Liquidity risk

“la Caixa” Group holds €86,978 million in liquid assets as defined by the Bank of Spain in its liquidity statements, of which €6,968 million related to cash and central banks, €27,984 million to the ECB collateralized policy, €33,376 million to discountable assets in the ECB not included in the facility, and €18,651 million of other marketable asset not eligible for the ECB, including A- or higher rated fixed-income securities, quoted equity instruments and investments in money market funds. “la Caixa” Group’s liquidity, as shown by its cash, the net balance of interbank deposits, public debt net of reverse repos and not included in the facility, and the balance that can be drawn on the credit facility with the ECB amounted to €60,762 million and €53,092 million at 31 December 2013 and 31 December 2012, respectively.

The 2011-2014 Strategic Plan approved by the Board of Directors states that the liquidity managed by CaixaBank, “la Caixa” Group’s banking business subsidiary, must remain at over 10% of its assets. This threshold was comfortably met throughout 2013, and was 17.3% at year-end. The liquidity level is mainly based on retail financing; customer deposits account for 71% of financing sources.

As part of this approach to managing liquidity risk and to allow it to anticipate potential needs for lendable funds, “la Caixa” Group’s wide variety of financing programmes cover a number of maturity periods. This allows the Group to maintain adequate levels of liquidity at all times: (i) €10,000 million Promissory Notes Programme provides access to short-term funds; (ii) €25,000 million Base Prospectus for non-equity securities, which ensures the availability of long-term funding (€23,946 million available at 31 December 2013); and (iii) €10,000 million Euro Medium Term Note Programme (€9,250 million available at 31 December 2013).

In order to deal with potential stress on liquid assets or market crises, i.e. to deal with the contingent liquidity risk, CaixaBank placed a series of guarantee deposits with the European Central Bank (ECB) which it can use to obtain high levels of liquid assets at short notice. The amount drawable on the facility at 31 December 2013 was €27,984 million (€35,630 million at 31 December 2012). Financing obtained from the European Central Bank through various monetary policy instruments was €15,480 million at December 31, 2013, compared to €28,284 million at December 31, 2012. This change was due to the repayment by CaixaBank of €12,500 million raised from the extraordinary long-term liquidity auctions (LTRO) and €304 million of ordinary financing. In addition to this change, Banco de Valencia repaid a total of €5,800 million of ordinary financing from the European Central Bank in the first half of 2013. CaixaBank tapped the market with several issues of different products in 2013, including five issues of senior bonds, three of which were each of a value of €1,000 million (carrying maturities of 3Y, 3.5Y and 5Y), a fourth 5Y issue for €300 million, and a fifth 6.5Y issue for €250 million, a €2,000 million issue of 5Y mortgage-covered bonds, a €750 million issue of Tier 2 subordinated bonds (10Y issue, with optional repurchase after five years), a €594.3 million issue of 3Y bonds exchangeable for Repsol, SA shares, a €1,350 million issue of 5Y public sector covered bonds, and six issues of structured bonds for a total amount of €81.6 million and various maturities.

Financial instruments that include accelerated repayment terms

At 31 December 2013, CaixaBank had instruments containing terms that could trigger accelerated repayment if one or more of the events set out in the agreements occurred. The balance of transactions including accelerated repayment terms at 31 December 2013 stood at €608 million, of which €261 million related to transactions in which the term had already expired and was not demanded by the counterparty and €321 million to other transactions in which downgrades in credit rating could trigger accelerated repayment. In addition, master agreements with financial counterparties for trading in derivatives (CSA agreements) had a balance of €25 million at 31 December 2013 subject to accelerated repayment terms.

Instruments that could require posting of collateral

At 31 December 2013, CaixaBank has instruments that require providing with collateral or receipt of margins in addition to initial margins in its derivatives and debt repo transactions, as is customary practice in the market: in derivatives, it received €2,753 million of cash margins and €24 million in public debt, and posted collateral in cash of €1,629 million; in the case of public repos, €423 million of margins were received for trading in active markets and €88 million from OTC transactions, while cash collateral of €352 million was posted for trading in active markets and €44 million in OTC transactions.

Operational risk

The Global Risk Committee defines the strategic lines of action and monitors operational risk profiles, the main loss events, and the steps to be taken to mitigate such events. CaixaBank is also developing a strategic project, encouraged by Management and in keeping with Bank of Spain proposals and regulations, for the implementation of a single comprehensive operational risk measurement and control model across the entire Group. Group level management covers companies within the scope of application of Bank of Spain Capital Adequacy Circular 03/2008 and conforms with the "Operational Risk Management Framework," which defines the objectives, organizational structure, policies, management model and measurement methodologies relating to operational risk.

Actuarial risk

The risks associated with the insurance branches and insurance types are managed directly through drawing up and monitoring a Technical Scorecard to keep the synthetic vision of the technical performance of the products up to date. Insurance companies assume risk towards policyholders and mitigate these risks by taking out insurance with reinsurance companies. By doing so, an insurance company can reduce risk, stabilize solvency levels, use available capital more efficiently and expand its underwriting capacity. However, regardless of the reinsurance taken out, the insurance company is contractually liable for the settlement of all claims with policyholders. The internal control systems ensure that all underwriting is carried out pursuant to the reinsurance policy and that the planned reinsurance cover is appropriate, identifying and reporting any breach of the established limits by the underwriters, in addition to any failure to comply with the instructions provided or assumption of risks which surpass the Entity's capital levels or reinsurance coverage.

Audit, Internal Control and Regulatory Compliance

The Board of Directors of "la Caixa" has ultimate responsibility for ensuring the correct performance and efficiency of the Group's internal control model, reporting to "la Caixa"'s Executive Director of Audit and Regulatory Compliance and CaixaBank's General Sub-Director of Audit, Internal Control and Regulatory Compliance (Control SDG). CaixaBank's General Sub-Director of Control comprises three organization units (Internal Control, Compliance and Internal Audit), which operate independently from each other and other "la Caixa" Group areas and companies, in accordance with the guidelines set out by the EBA (European Banking Authority) in the EBA Guidelines on Internal Governance dated 27 September 2011 (adopted by the Bank of Spain on 27 June 2012). They also report systematically to the Senior Management and governing bodies on issues relating to risk management. In 2012 and 2013, significant progress was made to strengthen the Group's internal control model: The organizational structure was bolstered with the creation of the Internal Audit Area, mainly to develop the Corporate Risk Map, the transversal project included in the review of the 2011-2014 Strategic Plan. In addition, an analysis was carried out of the function and objectives of the three areas of the Control SDG, resulting in its reorganization and reinforcing of its resource structure.

D.3 Key risks specific to the securities

Risks Relating to the Exercise of Exchange Rights

Bondholders should be aware that the Bonds, being exchangeable for the Exchange Property, bear certain risks. Depending on the performance of the Exchange Property, the value of the Exchange Property may be substantially lower than it was when the Bonds were initially purchased. In addition, the value of the Exchange Property to be delivered may vary substantially between the date on which Exchange Rights are exercised and the date on which such Exchange Property is delivered.

There is a Limited Period for, and Costs Associated with, the Exercise of Exchange Rights

Subject to certain conditions, a Bondholder will have the right to exchange Bonds for CaixaBank Shares. Exchange Rights may be exercised at any time from (and including) 6 January, 2014 up to (and including) the close of business (at the place where the relevant certificate in respect of the Bond is deposited for exchange) on the date which falls 14 days prior to the Maturity Date, subject to certain restrictions and/or particularities. If the Exchange Rights are not exercised by Bondholders during the Exchange Period and unless otherwise previously redeemed and exchanged or purchased and cancelled, the Bonds will be mandatorily redeemed on the Maturity Date.

Bondholders have limited anti-dilution protection

The Bonds are exchangeable for Exchange Property. The composition of the Exchange Property will be adjusted in the event that, inter alia, there is a consolidation, reclassification or subdivision, bonus issue, distribution, rights issue which affects the CaixaBank Shares, but only in certain situations and only to certain extent. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Exchange Property. Events in respect of which no adjustment is made may adversely affect the value of the Exchange Property and, therefore, adversely affect the value of the Bonds.

The Bonds may not have an active trading market

There may be little or even no secondary market for the Bonds. Even if a secondary market for the Bonds develops, it may not provide significant liquidity and it is expected that transaction costs in any secondary market may be high. As a result, the difference between bid and ask prices for the Bonds in any secondary market could be substantial.

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 advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Bondholders have no shareholder rights

Prior to the exercise of the Exchange Rights, an investor in a Bond will not be a holder of the CaixaBank Shares. No Bondholder will

have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the CaixaBank Shares.

Interest rate risks

Investing in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Claims of Holders under the Bonds are effectively junior to those of certain other creditors and from 1st January, 2018 may also be subject to bail-in.

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

Under the current draft of the Recovery and Resolution Directive (the "RRD"), credit institutions will have to meet, at all times, a minimum requirement for own funds and eligible liabilities which could be subject to bail in. In addition, certain liabilities (such as covered deposits, secured liabilities including covered bonds, client moneys, client assets or deposits) will not be subject to the power of the resolution authorities to writedown or convert liabilities into equity under the bail in tool. The current draft RRD is not in final form and changes may be made to it in the course of the legislative process. It is also not yet possible to assess the full impact of the draft RRD, including the extent to which the application of the bail-in tool will affect instruments such as the Bonds. However, the exercise of any such tool or any suggestions of its exercise could materially adversely affect the value of the Bonds.

Risks Relating to the Insolvency Law

Spanish Insolvency Law 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 from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days), (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (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.

Bondholders will not be able to exercise their rights on an event of default in the event of the adoption of any resolution measure under Law 9/2012

The Issuer may be subject to a procedure of early intervention, restructuring or resolution under Law 9/2012 if the Issuer or its group of consolidated credit entities is in breach of (or there are sufficient objective elements pursuant to which it is reasonable to foresee that they may breach) applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls. Pursuant to Law 9/2012 the adoption of any early intervention, restructuring or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 9/2012.

Accordingly, while the Bonds are governed by English law and the Issuer submits to the exclusive jurisdiction of the English courts, the above provisions of Law 9/2012 may limit the enforcement by a holder of any rights it may otherwise have on the occurrence of any event of default. In addition, pursuant to Directive 2001/24/EC on the reorganisation and winding up of credit institutions in EU Member States, Law 9/2012 and The Credit Institutions (Reorganisation and Winding up) Regulations 2004 of the United Kingdom, any resolution procedure (and the loss absorption measures in a restructuring scenario) is specified under Law 9/2012 to be a "reorganisation measure" for the purposes of Directive 2001/24/EC and, as such, will be effective in the United Kingdom in relation to any Bonds as if it were part of the general law of insolvency of the United Kingdom. Given the absence of any grandfathering provisions under Law 9/2012, this is the case both for those Bonds already in issue as well as any Bonds issued in the future.

Any enforcement by a Bondholder or any claims on the occurrence of an event of default will consequently be subject and limited by the application of any measures pursuant to the provisions of Law 9/2012. There can be no assurance that the taking of any such action would not adversely affect the rights of Bondholders, the price or value of their investment in the Bonds and/or the ability of the Issuer to satisfy its obligations under the Bonds and the enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default may be limited in these circumstances.

Risks relating to the Spanish withholding tax regime

According to Article 44.5 of Royal Decree 1065/2007, income derived from securities originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another OECD country (such as Euroclear or Clearstream), will be paid free of Spanish withholding tax provided that the Paying Agent appointed by the Issuer submits a statement to the Issuer containing certain information on the business day immediately prior to each interest payment date. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Issuing and Principal Paying Agent on its behalf will make a withholding at the general rate (currently 21 per cent.) on the total amount of the return on the relevant Bonds otherwise payable to such entity. However, the interpretation of Royal Decree 1065/2007 and in particular the absence of a withholding tax obligation for the Issuer in respect of Spanish resident individuals, and to disclose certain tax information to the Spanish Tax Authorities about those Bondholders who are Spanish Individual Income Tax or Corporate Income Tax taxpayers, or non-Spanish residents operating in Spain through a permanent establishment is currently subject to debate. The Spanish Tax Authorities may eventually issue a tax ruling to clarify the interpretation of the currently applicable procedures and it cannot be completely discarded that such ruling determines that the Issuer should apply a withholding on payments to individuals with tax residence in Spain and to obtain and disclose certain information to the tax authorities. If this is the case, identification of Bondholders may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as clarified by the Spanish Tax Authorities. Similarly if following clarification by the Spanish Tax Authorities, Bondholders who are Spanish Individual Income Tax Payers become subject to withholding tax, the Issuer will apply the relevant withholding on payments to individuals with tax residence in Spain. The Issuer will not pay any additional amounts in respect of any such withholding tax. Bondholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Bonds. None the Issuer, the Paying Agent or any clearing system assume any responsibility therefore.

The conditions of the Bonds contain provisions which may permit their modification without the consent of all investors.

The conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Bonds may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Bonds.

Under EC Council Directive 2003/48/EC on taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland). The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above. If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Bonds) nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Whilst the Bonds are in global form and held within the clearing systems, in all but the most remote circumstances it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") will affect the amount of any payment received by the clearing systems. However, FATCA may affect, among other, 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. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA and provide each 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 adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Bonds are discharged once it has paid the common depository or common safekeeper for the clearing systems (as bearer of the Bonds) and therefore the Issuer has no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

The value of the Bonds could be adversely affected by a change in English law or administrative practice.

The conditions of the Bonds are based on English law in effect as at present date. No assurance can be given as to the impact of any eventual future judicial decision or change to English law or administrative practice and any such change could materially adversely impact the value of any Bonds affected by it.

Reliance on Euroclear and Clearstream procedures

The Bonds are represented by a Global Bond deposited with a common depository for Euroclear and Clearstream. Except in the circumstances described in the Global Bond, investors will not be entitled to receive Bonds in definitive form. Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Bond. While the Bonds are represented by the Global Bond, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Bonds are represented by the Global Bond, the Issuer will discharge its payment obligation under the Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Bond must rely on the procedures of the relevant clearing system and its participants to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bond.

Holders of beneficial interests in the Global Bond will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

An active secondary market in respect of the Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Bonds

The Bonds may have no established trading market, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Bonds which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Bonds could result in an investor not receiving payments on those Bonds.

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than euro. These include the risk that exchange rates may significantly change and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Bonds may be adversely affected by movements in market interest rates.

Investment in fixed rate bonds involves the risk that if market interest rates subsequently increase above the rate paid on the Bonds, this will adversely affect the value of the Bonds.

Credit ratings assigned to the Issuer may not reflect all the risks associated with an investment in those Bonds.

The ratings assigned to the Issuer may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. 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.
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Section E – Offer

E.4	Description of any interest that is material to the issue So far the Issuer is aware, there are no natural and legal persons with any interest which is material to the offer.
E.7	Estimated expenses charged to the investor by the Issuer The Issuer shall not charge any expenses to the investors

RISK FACTORS

RISK FACTORS RELATING TO THE ISSUER

Description of the Issuer and risk factors relating to the Issuer are described in the **Documento de Registro of Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"** (Annex XI of the Commission Regulation (EC) No 809/2004 of 29 April 2004), approved by the CNMV on 1 April 2014, which has been published and filed with the CNMV and is incorporated in, and forms part of, this Prospectus.

Additionally, a summarized description of the Issuer and of key risk factors relating to the Issuer is contained in the Summary to this Prospectus (Annex XXII of the Commission Delegated Regulation (EC) No 486/2012).

RISK FACTORS RELATING TO THE BONDS

Risks Relating to the Exercise of Exchange Rights

Bondholders should be aware that the Bonds, being exchangeable for the Exchange Property, bear certain risks. Depending on the performance of the Exchange Property, the value of the Exchange Property may be substantially lower than when the Bonds were initially purchased. In addition, the value of the Exchange Property to be delivered may vary substantially between the date on which Exchange Rights are exercised and the date on which such Exchange Property is delivered. See Condition 7 (*Exchange Rights*) of the Bonds.

There is a Limited Period for, and Costs Associated with, the Exercise of Exchange Rights

Subject to the Conditions, a Bondholder will have the right to exchange Bonds for CaixaBank Shares. Exchange Rights may be exercised, subject as provided herein, at any time from (and including) 6 January, 2014 up to (and including) the close of business (at the place where the relevant certificate in respect of the Bond is deposited for exchange) on the date which falls 14 days prior to the Maturity Date, subject to certain restrictions and/or particularities as per the Conditions. If the Exchange Rights are not exercised by Bondholders during the Exchange Period and unless otherwise previously redeemed and exchanged or purchased and cancelled in accordance with the Conditions, the Bonds will be mandatorily redeemed on the Maturity Date.

Bondholders have limited anti-dilution protection

The Bonds are exchangeable for Exchange Property. The composition of the Exchange Property will be adjusted in the event that, inter alia, there is a consolidation, reclassification or subdivision, bonus issue, distribution, rights issue which affects the CaixaBank Shares, but only in the situations and only to the extent provided under the relevant italicised section of Condition 8(b) (*Adjustment Events*). There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Exchange Property. Events in respect of which no adjustment is made may adversely affect the value of the Exchange Property and, therefore, adversely affect the value of the Bonds.

The Bonds may not have an active trading market

There may be little or no secondary market for the Bonds. Even if a secondary market for the Bonds develops, it may not provide significant liquidity and it is expected that transaction costs in any secondary market may be high. As a result, the difference between bid and ask prices for the Bonds in any secondary market could be substantial.

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 (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Bondholders have no shareholder rights

Prior to the exercise of the Exchange Rights in accordance with the Conditions, an investor in a Bond will not be a holder of the CaixaBank Shares. No Bondholder will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the CaixaBank Shares.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

RISKS RELATED TO BONDS GENERALLY

Claims of Holders under the Bonds are effectively junior to those of certain other creditors and from 1st January, 2018 may also be subject to bail-in.

The Bonds 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 Insolvency law, the Bonds will rank equally with any of the Issuer's other unsecured and unsubordinated indebtedness. However, the Bonds will be effectively subordinated to all of the Issuer's secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other preferential obligations under Spanish law.

On 6th June, 2012, the European Commission published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms, known as the Recovery and Resolution Directive (the "RRD"). The draft RRD contemplates that resolution authorities will also have the power to write down the claims of unsecured creditors of a failing institution and to convert unsecured debt claims to equity (which may include the Bonds, subject to certain parameters as to which liabilities could be eligible for the bail-in tool). While it is currently proposed that the RRD Loss Absorption Requirement will be implemented on or before 1st January, 2015, it is not contemplated that the bail-in tool

(other than in relation to Additional Tier 1 and Tier 2 instruments) will be applied before 1st January, 2018.

Under the current draft of the RRD, the credit institutions will have to meet, at all times, a minimum requirement for own funds and eligible liabilities which could be subject to bail in. In addition, certain liabilities (such as covered deposits, secured liabilities including covered bonds, client moneys, client assets or deposits) will not be subject to the power of the resolution authorities to writedown or convert liabilities into equity under the bail in tool.

As noted above, the draft RRD is not in final form and changes may be made to it in the course of the legislative process. It is also not yet possible to assess the full impact of the draft RRD, including the extent to which the application of the bail-in tool will affect instruments such as the Bonds. However, the exercise of any such tool or any suggestions of its exercise could materially adversely affect the value of the Bonds.

Risks Relating to the Insolvency Law

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

The Insolvency Law 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 from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days), (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (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.

Bondholders will not be able to exercise their rights on an event of default in the event of the adoption of any resolution measure under Law 9/2012

The Issuer may be subject to a procedure of early intervention, restructuring or resolution under Law 9/2012 if the Issuer or its group of consolidated credit entities is in breach of (or there are sufficient objective elements pursuant to which it is reasonable to foresee that they may breach) applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls.

Pursuant to Law 9/2012 the adoption of any early intervention, restructuring or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 9/2012.

Accordingly, while the Bonds are governed by English law and the Issuer submits to the exclusive jurisdiction of the English courts, the above provisions of Law 9/2012 may limit the enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default (as defined in Condition 9 (*Events of Default*)). In addition, pursuant to Directive 2001/24/EC on the reorganisation and winding up of credit institutions in EU Member States, Law 9/2012 and The Credit Institutions (Reorganisation and Winding up) Regulations 2004 of the United Kingdom, any resolution procedure (and the loss absorption measures in a restructuring scenario) is specified under Law 9/2012 to be a “reorganisation measure” for the purposes of Directive 2001/24/EC and, as such, will be effective in the United Kingdom in relation to any Bonds as if it were part of the general law of insolvency of the United Kingdom. Given the absence of any grandfathering provisions under Law 9/2012, this is the case both for those Bonds already in issue as well as any Bonds issued in the future.

Any enforcement by a Bondholder of its rights under the Bonds upon the occurrence of an Event of Default following the adoption of any resolution procedure will, therefore, be subject to the relevant provisions of Law 9/2012 in relation to the exercise of the relevant measures and powers pursuant to such procedure, which may include, among others, the sale of the Issuer's business, the transfer of assets or liabilities of the Issuer to a bridge bank and/or the transfer of assets or liabilities of the Issuer to an asset management company. Any claims on the occurrence of an Event of Default will consequently be limited by the application of any measures pursuant to the provisions of Law 9/2012. There can be no assurance that the taking of any such action would not adversely affect the rights of Bondholders, the price or value of their investment in the Bonds and/or the ability of the Issuer to satisfy its obligations under the Bonds and the enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default may be limited in these circumstances.

Risks relating to the Spanish withholding tax regime

Article 44 of Royal Decree 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 13/1985 (the “**Simplified Information Procedures**”). The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) and debt instruments to which Law 13/1985 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

According to the literal wording of Article 44.5 of Royal Decree 1065/2007, income derived from securities originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another OECD country (such as Euroclear or Clearstream, Luxembourg), will be paid free of Spanish withholding tax provided that the Paying Agent appointed by the Issuer submits a statement to the Issuer, the form of which is included in the Agency Agreement, with the following information:

- (i) identification of the securities;
- (ii) income payment date (or refund if the Bonds are issued at a discount or segregated);
- (iii) total amount of income (or total amount to be refunded if the Bonds are issued at a discount or segregated); and

(iv) total amount of the income corresponding to each clearing system located outside Spain.

These obligations refer to the total amount paid to investors through each foreign clearing house. For these purposes, "income" means interest and the difference, if any, between the aggregate amount payable on the redemption of the Bonds and the issue price of the Bonds.

In accordance with Article 44 of Royal Decree 1065/2007, the relevant Issuing and Principal Paying Agent should provide the Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Issuing and Principal Paying Agent on its behalf will make a withholding at the general rate (currently 21 per cent.) on the total amount of the return on the relevant Bonds otherwise payable to such entity.

The Issuer considers that, according to Royal Decree 1065/2007, any payments under the Bonds will be made by the Issuer free of Spanish withholding tax, provided that the Simplified Information Procedures described above (which do not require identification of the Bondholders) are complied with by the Issuer and the Issuing and Principal Paying Agent. However, the interpretation of Royal Decree 1065/2007 and in particular the absence of a withholding tax obligation for the Issuer in respect of Spanish resident individuals, and to disclose certain tax information to the Spanish Tax Authorities about those Bondholders who are Spanish Individual Income Tax or Corporate Income Tax taxpayers, or non-Spanish residents operating in Spain through a permanent establishment is currently subject to debate. The Spanish Tax Authorities may eventually issue a tax ruling to clarify the interpretation of the currently applicable procedures and it cannot be completely discarded that such ruling determines that the Issuer should apply a withholding on payments to individuals with tax residence in Spain and to obtain and disclose certain information to the tax authorities. If this is the case, identification of Bondholders may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as clarified by the Spanish Tax Authorities.

If, following clarification by the Spanish Tax Authorities, procedures for the collection of the Bondholders information are to apply, the Bondholders will be informed of such new procedures and their implications.

Similarly if following clarification by the Spanish Tax Authorities, Bondholders who are Spanish Individual Income Tax Payers become subject to withholding tax, the Issuer will apply the relevant withholding on payments to individuals with tax residence in Spain. The Issuer will not pay any additional amounts in respect of any such withholding tax.

Bondholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Bonds. None the Issuer, the Dealers, the Issuing and Principal Paying Agent or any clearing system (including Euroclear and Clearstream Luxembourg) assume any responsibility therefore.

RISK FACTORS RELATING TO CAIXABANK

The following information has been extracted from and can be consulted in:

- the *Documento de Registro* relating to CaixaBank, dated 27 June 2013, available at the website of the *Spanish Securities Market Commission* (the “CNMV”) (<http://www.cnmv.es/Portal/verDoc.axd?t={f2657c70-a028-49af-bcb0-14332719a82e}>);
- the auditors' report and audited consolidated annual financial statements of CaixaBank for the financial year ended 31st December, 2013 (http://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Informacion_Economica_Financiera/MEM_GRUPCAIXABANK_2013_12_INGLES_WEB.pdf); and (<http://www.cnmv.es/AUDITA/2013/14921.pdf>)

CaixaBank, S.A. (“CaixaBank”) and its subsidiaries compose the CaixaBank Group (“CaixaBank Group” or “the Group”). CaixaBank is the bank through which Caixa d'Estalvis i Pensions de Barcelona (“la Caixa”) carries out its banking activities indirectly as a credit institution in accordance with its Bylaws. “la Caixa” is CaixaBank's majority shareholder, with a stake of 60.5% at 31 March 2014.

CaixaBank was created through the transformation of Criteria CaixaCorp, S.A., as part of the reorganization of “la Caixa” Group. This reorganization culminated on June 30, 2011 with the entry of CaixaBank in the Bank of Spain's Registry of Banks and Bankers (“*Registro Especial de Bancos y Banqueros*”) and its listing on the Spanish stock markets—as a bank—on July 1, 2011. As a bank, CaixaBank is subject to the oversight of the Bank of Spain

Banking business is CaixaBank Group's core business and includes the entire banking business (retail banking, corporate banking, cash and markets) and the insurance business, primarily carried out in Spain through the branch network and other additional channels. Life insurance, pension plans and general insurance products are primarily facilitated through VidaCaixa and SegurCaixa Adeslas while asset management services are carried out through InverCaixa.

The second business segment is equity investment business, comprising earnings on dividends and/or equity-accounted profits in respect of international banking investees (Grupo Financiero Inbursa, Bank of East Asia, Erste Bank, Banco BPI and Boursorama), Repsol, S.A. and Telefónica, S.A.

CaixaBank is also a public limited company (*sociedad anónima*) whose shares are admitted to trading on the Barcelona, Madrid, Valencia and Bilbao Stock Exchanges and on the Continuous Market, and have been included on the IBEX 35 since February 4, 2008. Therefore, CaixaBank is subject to the oversight of the Spanish Securities Market Regulator (*Comisión Nacional del Mercado de Valores* or CNMV). CaixaBank is also included in other international stock market indices, such as the Euro Stoxx Bank Price EUR, the MSCI Europe, the MSCI Pan-Euro, the FTSE4Good, rating the investments of companies as sustainable on the basis of their corporate social responsibility practices, the FTSE Eurofirst 300, consisting of the 300 leading European companies by market

capitalization, and the Dow Jones Sustainability Index, which reflects, *inter alia*, the company's commitment to sustainability and corporate reputation in its business activities and investments. It is also a constituent of the Advanced Sustainable Performance Index (ASPI), composed of the top 120 DD Euro Stoxx companies in terms of sustainable development performance.

Credit Risk

Credit risk is the most significant risk item on the CaixaBank Group's balance sheet and arises from the banking and insurance business, treasury operations and the investee portfolio

Customer credit risk

Doubtful loans amounted to €25,365 million and €20,150 million at 31 December 2013 and 31 December 2012 respectively. The NPL ratio (doubtful loans and contingent risks as a percentage of total risk) stood at 11.66% at 31 December 2013 (8.62% at 31 December 2012).

Provisions for loans and contingent liabilities at 31 December 2013 amounted to €15,478 million, €2,807 million more than at 31 December 2012. The difference includes an allocation of €902 million for real estate credits at 31 December 2012, estimated according to internal models. CaixaBank increased provisions for refinancing operations by €540 million in the first half of 2013, with an impact on profit of €375 million. Provisions for contingent liabilities at 31 December 2013 amounted to €502 million. Coverage stood at 61.05% (140% with mortgage collateral).

Refinancing policies

Refinancing entails the redesign of risks for customers in arrears as an attempt to enhance the guarantees available and make it easier for customers to meet their commitments. On 2 October 2012, the Bank of Spain released Circular 6/2012, of September 28, which includes the treatment and classification of refinancing and debt restructuring transactions. Refinanced and restructured transactions as described in the Circular are considered as refinancing transactions.

Nevertheless, on 30 April 2013, the Bank of Spain issued a document containing the guidelines for establishing a benchmark for compliance with Circular 4/2004, to further reinforce the definition, documentation, monitoring and review of financing policies, and to guarantee consistency in the criteria used by the financial institutions. In the first half of 2013, CaixaBank carried out its review, through individual studies, of the accounting classification of refinanced and restructured portfolios. In the first half of 2013, the initial individual review led to the reclassification of €3,287 million of assets classified as standard to doubtful, and €768 million to substandard. This review led to the recognition of higher provisions for refinanced operations, of €540 million, of which €375 million were charged to profit and loss for the year.

219,606 transactions were considered as refinancing transactions at 31 December 2013, being the total gross amount €25,275 million and total specific allowance of €5,744 million.

Problematic assets in the construction and property development sector

Financing for real estate developers and developments, including development carried out by non-developers, at 31 December 2013 amounted to €19,980 million (26% less than at 31 December 2012, when such figure amounted to €26,992 million), with €4,956 million excess over value of collateral and €6,942 million specific allowance.

The amounts above do not include the loans granted by CaixaBank Group to "la Caixa" Group's real estate companies, which at 31 December 2013 and 31 December 2012 amounted to €2,008 million and €3,026 million, respectively.

NPL ratio of loans to real estate developers at 31 December 2013 stood at 59.39% (44.22% at 31 December 2012).

Specific coverage for distressed loans to real-estate developers (NPLs and substandard) was increased from 38.2% in December 2012 to 53.7% in December 2013. At 31 December 2013, provisions set aside for this sector in accordance with Royal Decree Law 18/2012 were reassigned as per regulatory requirements and primarily used to cover specific risks in the real estate developer loan portfolio and to cover foreclosed property assets.

BuildingCenter, SAU is the CaixaBank Group company that owns the foreclosed property assets and assets acquired in lieu of payment of debt.

At 31 December 2013, net foreclosed assets amounted to €6,169 million. In addition, CaixaBank foreclosed real estate assets held for lease (classified as investment property for accounting purposes) amounted to €1,850 million, net of provisions, at 31 December 2013.

In 2013 CaixaBank made sizeable provisions to cover the portfolio of foreclosed assets held for sale, providing coverage up to 54% (up 9 pp compared to December 2012).

Market Risk

The financial activity of credit institutions involves assuming market risk, which includes exposures from various sources: balance-sheet risk arising from interest rate and exchange rate fluctuations, the risk caused by taking up treasury positions, and the risk associated with equity investments which form part of the Group's diversification business. In all instances, risk refers to the potential loss of profitability or portfolio value as a result of adverse fluctuations in market rates or prices. There are two types of measurements which constitute a common denominator and market standard for the measurement of this risk: sensitivity and VaR (value at risk).

The Group enters into fair value micro-hedges to cover the risks assumed by certain items. Micro-hedges are transactions in which the hedged item is either asset or liability

transactions fully offsets the hedging instrument, usually a derivative. The Group enters into these hedges on individual items, offsetting all the market risk factors of the item to be hedged.

The Group's management of the structural balance sheet interest rate risk has a two-fold objective: first, to reduce the sensitivity of net interest income to interest rate fluctuations; and second, to preserve the economic value of the balance sheet. To attain these objectives, risk is actively managed by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementary nature of the sensitivity to interest rate fluctuations of the deposits and lending transactions arranged with customers.

At 31 December 2013, the Group used fair value macro-hedges as a strategy to mitigate its exposure to interest-rate risk. By entering into financial derivatives in the market, this macro-hedge hedges the risk of fixing interest rates on CaixaBank loans indexed to the 12-month Euribor rate.

The sensitivity of net interest income shows the impact on the review of balance sheet transactions caused by changes in the interest rate curve. This sensitivity is determined by comparing a net interest income simulation, at one or two years, on the basis of various interest rate scenarios. The most likely scenario, which is obtained using the implicit market rates, is compared against other scenarios of rising or falling interest rates and parallel and non-parallel movements in the slope of the curve. The one-year sensitivity of net interest income to sensitive balance sheet assets and liabilities, taking account of scenarios of rising and falling interest rates of 100 basis points each, is approximately -6.96% on the rising scenario and +4.43% on the falling scenario. Given the current level of interest rates, it should be pointed out that the scenario of a 100bp fall does not imply the application of negative interest rates.

In accordance with current regulations, the Group does not use its own funds for the structural interest rate risk assumed, in view of the low risk profile of its balance sheet.

Market risk relating trading activities

The Bank of Spain approved the internal model for estimating capital for market risk of trading activities in 2006. The scope of the model covers virtually all strict treasury positions and the trading derivatives over investees. In 2013, the average 1-day VaR for trading activities was €7 million.

Currency risk

This is the risk created mainly by potential fluctuations in the value of foreign currency-denominated assets and liabilities.

The equivalent euro value of foreign currency assets and liabilities held by CaixaBank at 31 December 2013 and 31 December 2012 is as follows:

(Thousand of Euro)	31.12.2013	31.12.2012
Total foreign currency assets	6,435,741	6,772,510
Total foreign currency liabilities	8,113,103	7,121,532

Remaining minor foreign currency positions are held with credit institutions in major currencies (e.g. dollars, sterling and Swiss francs). Methods for quantifying the positions are applied alongside the risk measurements used for the treasury activity as a whole.

Sovereign risk exposure

CaixaBank Group's position in sovereign debt, which is concentrated in CaixaBank and the insurance group, is subject to the Group's general risk-taking policy, which ensures that all positions are taken according to the target risk profile.

Amounts regarding exposure to sovereign risk at 31 December 2013 are as follows: €3,525 million held for trading- debt securities; €-1,621million held for trading- short positions, €40,098 million available-for sale financial assets, €10,205 million in loans and receivables and €11,198 held-to maturity investments.

Amounts relating to exposure to Spain's sovereign risk at 31 December 2013 are as follows: €3,211 million held for trading- debt securities; €-1,543 million held for trading- short positions, €38,695 million available-for sale financial assets, €10,166 million in loans and receivables and €11,198 held-to maturity investments.

Liquidity Risk

CaixaBank Group manages liquidity in such a way as to ensure that the Group is always able to meet its obligations on a timely basis and never allows its investment activities to be diminished due to a lack of lendable funds. This objective is achieved by actively managing liquid assets, through continuous monitoring of the structure of the balance sheet, on the basis of maturity dates, with early detection of potentially undesirable structures of short- and medium-term liquid assets, and by adopting a strategy that gives stability to financing sources.

CaixaBank has €77,934 million in liquid assets as defined by the Bank of Spain in its liquidity statements, of which €6,968 million related to cash and central banks, €27,984 million to the ECB collateralized policy, €33,376 million to discountable assets in the ECB not included in the facility, and €9,607 million of other marketable asset not eligible for the ECB, including A- or higher rated fixed-income securities, quoted equity instruments and investments in money market funds.

CaixaBank Group's liquidity, as shown by its cash, the net balance of interbank deposits, public debt net of reverse repos and not included in the facility, and the balance that can be drawn on the credit facility with the ECB amounted to €60,762 million and €53,092 million at 31 December 2013 and 31 December 2012, respectively.

The 2011-2014 Strategic Plan approved by the Board of Directors states that liquidity managed by CaixaBank must remain at over 10% of its assets. This threshold was comfortably met throughout 2013, and was 17.9% at year-end (15.2% at 31 December 2012). This liquidity level is mainly based on retail financing; customer deposits account for 71% of financing sources.

The Group's financing policies take into account a balanced distribution of issue maturities, preventing concentration and diversifying financing instruments. Institutional debt with maturity scheduled for 2014 amounts to €32,217 million.

Operational Risk

The Group's business depends on the ability to process a large number of transactions efficiently and accurately. Eventual losses can result from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations.

The Global Risk Committee defines the strategic lines of action and monitors operational risk profiles, the main loss events, and the steps to be taken in order to mitigate them. CaixaBank is also developing a strategic project, encouraged by Management and in keeping with Bank of Spain proposals and regulations, for the implementation of a single comprehensive operational risk measurement and control model across the entire Group. Group level management covers companies within the scope of application of Bank of Spain Capital Adequacy Circular 03/2008 and conforms with the "Operational Risk Management Framework," which defines the objectives, organizational structure, policies, management model and measurement methodologies relating to operational risk. If deemed necessary or convenient, CaixaBank transfers the risk to third parties through insurance policies.

Risk relating to Equity portfolio

The risk relating to the Group's equity portfolio is the risk associated with the possibility of incurring losses due to changes in market prices and/or losses on the positions comprising the investment portfolio, in the medium to long term.

The methodologies used allow to measure the risk involved with these positions, considering both the risk inherent to market price volatility, using VaR models (a statistical estimate of the maximum potential losses based on historical data on changing prices), and risk consisting in the possibility of default, whereby models based on the PD/LGD (Probability of Default / Loss Given Default) approach are applied as prescribed by the Basel Committee on Banking Supervision. Regulatory risk.

CaixaBank Group is subject to substantial regulation, and regulatory and governmental supervision. Adverse regulatory developments or changes in government policy could have a material adverse effect on its business, results of operations and financial condition.

Key developments or changes in regulation affecting CaixaBank Group are:

- In accordance with Transitional Provision One of Law 26/2013 of 27 December, as a savings bank that carries on its financial business indirectly through a banking entity, and given its characteristics, "la Caixa" must become a banking foundation by 30 December 2014. Until that time, it shall be governed by Law 31/85 of August, regulating the basic rules on governing bodies of savings banks, by the corresponding implementing regulations, and, where applicable, by the provisions of Royal Decree-Law 11/2010, of 9 July, on the governing bodies and other matters relating to the legal framework for savings banks, including their taxation, and article 8.3.d) of Law 13/1985, of 25 May, on investment ratios, capital requirements and disclosure obligations for financial intermediaries.
- The European Union Capital Requirements Directive (CRD IV) and the new European Capital Requirements Regulation (CRR), both during the elaboration processes and the definitive configuration, affecting multiple areas.
- The implications of European regulation on OTC derivatives, central counterparties and the trade repositories (EMIR), as well as documents issued by the Basel Committee in respect of collateral requirements in bilateral operations and exposures to central counterparties.
- The progress needed for future implementation of the European directive on the insurance sector (Solvency II) and the guidelines issued by the EIOPA following the public consultation period.
- Studies performed by regulatory bodies, including the Basel Committee and the EBA, on consistency among banks in the calculation of risk-weighted assets.
- The creation of worldwide standards by the Basel Committee Large Exposure Group in respect of limits on major risks.
- The Basel Committee's work on leverage ratios and liquidity coverage ratios, in the latter case set out in a definitive document.
- Progress by the Basel Committee toward defining a new market risk framework following publication of the Fundamental Review of the Trading Book (FRTB).

Capital adequacy management

Regulatory framework:

Until December 2013, capital adequacy of financial institutions was regulated by Bank of Spain Circular 3/2008, which adapts the Spanish legal framework to European directives 2006/48/EC and 2006/49/EC which, in turn, transposed EU legislation in accordance with the international Basel II accord.

The reform to solvency regulations, which began after the international financial crisis revealed the need to amend the regulations of the banking system in order to make it

stronger, is now complete. In December 2010, the Basel Committee on Banking Supervision (BCBS) agreed upon a new regulatory framework, known collectively as Basel III. At the end of June 2013, the key points of the agreement became a harmonized set of regulations for the European Union through Regulation 575/2013 and Directive 2013/36/EU of the European Parliament and of the Council, both of which were passed on 26 June 2013. The Regulation, which is directly applicable, became effective on 1 January 2014. The Directive is yet to be transposed into Spanish law. In this context, on 29 November 2013, Royal Decree-Law 14/2013 was passed to implement the most urgent changes. Among other measures, this RDL repealed the Principal Capital requirement introduced by RDL 2/2011, establishing only, as a transitional measure for 2014, the limit on the amount of Tier 1 capital recognized in the buffer of Principal Capital above the minimum requirement at 31 December 2013.

CaixaBank's Principal Capital ratio at 31 December 2013 stood at 12.9%, implying a buffer of €5,069 above the minimum capital requirement. Accordingly, in no case would the limits of RDL 14/2013 be applicable.

At a European level, on 22 July 2013 the European Banking Authority (EBA) issued a recommendation (EBA/REC/2013/03), reformulating an earlier recommendation of December 2011, which set a minimum Core Tier 1 capital requirement of 9% for June 2012 to ensure that, during the transition to the application of Basel III, the absolute Core Tier 1 EBA did fall below the minimum requirements of June 2012.

At December 2013, CaixaBank had a Core Tier 1 EBA level as defined in the EBA recommendation of 8 December 2011 (EBA/REC/2011/1) of €16,689 million, which was €4,540 million above the June 2012 minimum requirement.

Capital adequacy of CaixaBank:

At 31 December 2013, CaixaBank's Core Capital and Tier 1 ratios stood at 12.9% and total eligible capital at 14.5% of risk-weighted assets, implying a buffer of €8,425 million above the minimum capital requirements of Circular 3/2008.

The annual trend in solvency highlights the Group's ability to generate capital organically, thanks to both its earnings and prudent risk management, and the non-recurring transactions carried out in the year: the integration of Banco de Valencia, the repayment of public aid from the FROB to Banca Cívica in February 2011, the partial disposal of the stake in Grupo Financiero Inbursa, and provisions recognized, including provisions for restructuring costs and impairment to comply with the requirements of Royal Decree-Law 18/2012.

Risk-weighted assets (RWA) amounted to €129,110 million at 31 December 2013, a €32,090 million, which means a 19.9%, decrease in respect of the December 2012 figure. This decrease in RWAs was driven by the reduction in lending activity, coupled with the Group's success in optimizing capital, including the application of internal models to Banca Cívica portfolios, as well as the application of the weighting assigned to credit risk exposure in SMEs, in accordance with Law 14/2013 of September 2013 to support entrepreneurial initiatives. These effects were offset partially by the addition of assets from Banco de Valencia.

According to the new Basel III standards set out in Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, CaixaBank's Common Equity Tier 1 (CET1, Core Capital) at 31 December 2013 on a fully-loaded basis (i.e. without applying the transitional period) was 11.7%. The minimum requirement for this ratio at the end of the transitional period in 2019 is 7%.

Including the transition period, CaixaBank's CET1 at 31 December 2013 under BIS III criteria applicable in 2014, according to the definitions set out in the new Bank of Spain Circular 2/2014 of January 31, would be 11.2%. In the transition period, convertible bonds are not included in CET1. If they were included, the ratio would be 12.3%.

Credit ratings

CaixaBank Group's long-term ratings stand at BBB- (Standard & Poor's), Baa3 (Moody's), BBB (Fitch) and A low (DBRS).

Any downgrade in the Group's ratings could increase its borrowing costs, and require it to post additional collateral or take other actions under some of its derivative contracts, and could limit as well its access to capital markets and adversely affect Group's commercial business. For example, a ratings downgrade could adversely affect the Group's ability to sell or market certain of its products, engage in business transactions—particularly longer-term and derivatives transactions—and retain its customers, particularly customers who need a minimum rating threshold in order to invest. This, in turn, could reduce the Group's liquidity and have an adverse effect on its operating results and financial condition.

Share capital and major shareholder

At 31 December 2013, share capital consisted of 5,027,610,282 shares, including the 71,325,892 shares issued via public deeds on January 3, 2014, to carry out the conversion of convertible bonds of 30 December 2013. These shares were admitted to trading on January 14, 2014.

All shares are in book-entry form, with a par value of €1 each.

"la Caixa" is CaixaBank's majority shareholder, with a stake of 60.5% at 31 March 2014.

GENERAL

The procedure described in this Prospectus for the provision of information required by Spanish laws and regulations is a summary only and the Issuer assumes no responsibility therefore. In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the holders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on distributions in respect of the relevant securities if the holders do not comply with such information procedures.

The conditions of the Bonds contain provisions which may permit their modification without the consent of all investors.

The conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Bonds may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Bonds.

Withholding under the EU Savings Directive.

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Luxembourg has announced that it will no longer apply the withholding tax system as from 1st January, 2015 and will provide details of payments of interest (or similar income) as from this date. A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Bonds) nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Bonds are in global form and held within the clearing systems, in all but the most remote circumstances it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) will affect the amount of any payment received by the clearing systems (see “*Taxation - U.S. Foreign Account Tax Compliance Act*”). However, FATCA may 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. It also may affect payment to 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 each is compliant with FATCA or other laws or agreements related to FATCA and provide each 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 adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Bonds are discharged once it has paid the common depository or common safekeeper for the clearing systems (as bearer of the Bonds) and therefore the Issuer has no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

The value of the Bonds could be adversely affected by a change in English law or administrative practice.

The conditions of the Bonds are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Bonds affected by it.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Bonds are represented by Global Bonds deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Bonds, investors will not be entitled to receive Bonds in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Bonds. While the Bonds are represented by the Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Bonds are represented by the Global Bonds, the Issuer will discharge its payment obligation under the Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Bond must rely on the procedures of the relevant clearing system and its participants to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bonds.

Holders of beneficial interests in a Global Bond will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Bonds

The Bonds may have no established trading market, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Bonds which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Bonds could result in an investor not receiving payments on those Bonds.

The Issuer will pay principal and interest on the Bonds in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Bonds may be adversely affected by movements in market interest rates.

Investment in fixed rate bonds involves the risk that if market interest rates subsequently increase above the rate paid on the Bonds, this will adversely affect the value of the Bonds.

Credit ratings assigned to the Issuer may not reflect all the risks associated with an investment in those Bonds.

The ratings assigned to the Issuer may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the

value of the Bonds. 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 EU 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 restriction 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. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

OVERVIEW

*The following is an overview of the principal features of the Bonds. Words and expressions defined in “Terms and Conditions of the Bonds” (the “**Conditions**”) or elsewhere in this Prospectus shall have the same meaning in this Overview. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.*

Issuer:	Caixa d’Estalvis i Pensions de Barcelona, “la Caixa”
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds and/or which are material for the purpose of assessing the market risks associated with the Bonds. These are set out under " <i>Risk Factors</i> ".
Securities Offered:	EUR 750,000,000 1 per cent. Senior Unsecured Exchangeable Bonds due 2017 Exchangeable for ordinary shares in CaixaBank, S.A..
Underlying Shares:	Ordinary shares of CaixaBank S.A. (ISIN ES0140609019 / Bloomberg CABK SM / Reuters CABK.MC).
Form and Denomination:	The Bonds are in registered form in denominations of EUR 100,000 each.
Maturity Date:	25 November 2017.
Issue Date:	25 November 2013.
Exchange Period:	The period from (and including) 6 January, 2014 up to (and including) the close of business (at the place where the relevant certificate in respect of the Bond is deposited for exchange) on the date which falls 14 days prior to the Maturity Date, subject to certain restrictions and/or particularities as per the Conditions.
Exchange Property:	The initial Exchange Property comprises 164,835,164 CaixaBank Shares and shall include such other Relevant Securities and other property as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may be deemed to have ceased to form part of the Exchange Property and excluding any Cash Dividend other than to the extent comprising a Capital Distribution and excluding any other income and other benefits, rights and entitlements derived from the Exchange Property except to the extent forming or to form part of or giving rise to an adjustment to the Exchange Property pursuant to the Conditions.

Interest: 1.00 per cent. per annum payable semi-annually in arrear on 25 May and 25 November in each year, commencing with the Interest Payment Date falling on 25 May 2014.

Yield to Maturity: 1.00 per cent. per annum

Issuer Rating (long term senior debt): The Issuer has been rated BBB- with negative outlook by Fitch Ratings España, S.A.U. ("Fitch") on 8 November 2013. Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation.
The Bonds are not rated.

Status of the Bonds: The Bonds constitute direct, unconditional, unsubordinated and, subject to the provisions of the negative pledge, unsecured obligations of the Issuer and will rank pari passu, without preference, among themselves.

Redemption at Maturity Date: Unless previously exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Final Maturity Date

Notwithstanding the previous, the Issuer may elect to satisfy its obligation to redeem the Bonds by exercising its option (the "**Share Redemption Option**") with respect to all, but not some only, of the Bonds to be redeemed on the Final Maturity Date according to the Conditions

Exchange Rights: Each Bondholder shall have the right to have all or any of its Bonds redeemed at any time during the Exchange Period by exchange for, a pro rata share of the Exchange Property as at the relevant Exchange Date.

No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such fraction and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property.

Exchange Rights may not be exercised or may be exercised with some restrictions under certain circumstances according to the Conditions, such as when there is a default in making payment in respect to a Bond on such date fixed for redemption, when there has been given an Event of Default Notice or when the relevant Exchange Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive).

Exchange Rights shall be suspended during a certain period if the Issuer accepts an offer for the CaixaBank Shares and it is or becomes unconditional in all respects.

Bondholders will be required to make certain certifications, including that they are outside the United States and/or they are not a "U.S. Person", in order to exercise the Exchange Rights.

General Offers:

In the event of an Offer for any Equity Shares, comprised in the Exchange Property, the Issuer shall have absolute discretion (subject to certain parameters) to accept such Offer (and as to any alternative consideration) or reject such Offer.

If the Issuer accepts such Offer and the Offer becomes or is declared unconditional in all respects (or if all the Equity Shares not tendered in relation to the relevant Offer are subject to compulsory acquisition) then, and in relation to each Bond for which the Exchange Date has not occurred prior to the Final Acceptance Date, with effect from the Offer Consideration Date, the Equity Shares the subject of such Offer or compulsory acquisition shall be deemed no longer to form part of the Exchange Property and shall be deemed to be replaced by the consideration in respect of the Equity Shares under the Offer or pursuant to such compulsory acquisition or, if there is alternative consideration, such consideration as the Issuer may elect at its sole discretion.

The Exchange Rights shall be suspended during the period from and including (i) the Specified Date until the relevant Offer is withdrawn or the relevant Offer lapses or the Final Acceptance Date or, if earlier, until the Final Date and (ii) the date any vote is cast in relation to any applicable scheme, which is approved by the required majority, until the same is approved or rejected by any relevant judicial or other authority or otherwise is or becomes or is declared to be effective.

If the Issuer accepts the relevant Offer and the Offer is or becomes unconditional in all respects, Exchange Rights will also be suspended during the period from the Final Acceptance Date, or if earlier, the Final Date until the Offer Consideration Date.

If the Offer Consideration in relation to an Offer in respect of Equity Shares comprised in the Exchange Property consists wholly or partly of cash or other property (other than Eligible Equity Shares), such cash or such other property shall be added to and form part of the Exchange Property and if the Exchange Date of any Bond falls after the Offer Consideration Date, then the relevant Bondholder shall be entitled to receive an additional amount calculated by the Calculation Agent ("**Premium Compensation Amount**").

Redemption at the Option of the Issuer: The Bonds may only be redeemed in whole, but not in part, at the option of the Issuer prior to the Final Maturity Date:

a) for Tax reasons;

b) at any time on or after 16 December 2015 (the "First Call Date"), provided that the Value of the pro rata share of the Exchange Property attributable to each €100,000 principal amount of Bonds on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than 14 Trading Days prior to the date on which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded €130,000;

c) at any time in the period commencing on an Offer Consideration Date and ending 30 days thereafter if, following the relevant Offer, the Exchange Property consists wholly of cash;

d) at any time if, prior to the date on which the relevant notice of redemption is given Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

On the Tax Redemption Date or, as the case may be, the Optional Redemption Date, the Issuer shall redeem the Bonds at their principal amount, together with accrued interest to such Redemption Date.

Redemption at the Option of the Bondholders:

Following the occurrence of a Free Float Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Put Date at its principal amount, together with accrued and unpaid interest to such date

A “**Free Float Event**” shall occur if for any period of at least 30 consecutive days the number of CaixaBank Shares comprising the Free Float is equal to or less than 25 per cent. of the total number of issued and outstanding CaixaBank Shares.

“**Free Float**” means the aggregate number of CaixaBank Shares held by persons other than members of the Board of Directors that own (together with any other person or persons with whom they act in concert) CaixaBank Shares representing less than 5 per cent. of the total number of issued and outstanding CaixaBank Shares, as determined by an Independent Adviser based on the public information regarding CaixaBank displayed in the official website of the CNMV.

Events of Default:

The Conditions contain an events of default provision as further described in Condition 14 (*Events of Default*).

Negative Pledge:

The Conditions contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*).

Tax Gross-up:

Tax gross up subject to certain exceptions, including gross-up exception in the event that the Issuer does not receive in a timely manner a duly executed and completed certificate from its paying agent pursuant to Spanish Law 13/1985 and Royal Decree 1065/2007, as amended.

Representation of the Bondholders:

The regulations containing the rules governing the Syndicate of Bondholders and the rules governing its relationship with the Issuer (the “Regulations”) are attached to the Public Deed (escritura pública) executed before a Spanish notary public in relation to the issue of the Bonds registered with Barcelona’s Mercantile Registry.

Bondholders shall, by virtue of purchasing and/or holding Bonds, be deemed to have agreed to: (i) the appointment of the temporary Commissioner; and (ii) become a member of the Syndicate of Bondholders.

Copies of the Regulations are available at the offices of the Commissioner (Paseo de la Castellana 143 - 11th Floor, 28046 Madrid) and of the Fiscal Agent (Citibank, N.A., London Branch, Citigroup Center, Canada Square, London E14 5LB).

- Governing Law:** English Law; except in relation to provisions relating to the status of the Bonds, the appointment of a Commissioner (*Comisario*) to act as representative of the Holders and the constitution and functioning of a Syndicate of Holders which provisions will be governed by Spanish Law.
- Use of Proceeds:** General corporate purposes.
- Form:** The Bonds are represented by a Global Bond in registered form, without coupons, deposited with a common depository on behalf of Clearstream, Luxembourg and Euroclear. The Global Bond will be exchangeable for definitive Bonds in registered form in limited circumstances only.
- Listing:** This Prospectus has been approved by the CNMV as competent authority under the Prospectus Directive. Application shall be made for the Bonds to be listed on the Official List of the Irish Stock Exchange.
- ISIN:** XS0995390621.
- Selling Restrictions:** There are restrictions on offers and sales of the Bonds, *inter alia*, in the United States.

**Principal Paying,
Transfer and Exchange
Agent:**

Citibank, N.A. London Branch.

**Commissioner
(Comisario):**

Structured Finance Management (Spain) S.L.

Calculation Agent:

Conv-Ex Advisors Limited.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CBI shall be incorporated in, and form part of, this Prospectus:

Documento de Registro of Caixa d'Estalvis i Pensions de Barcelona
(Annex XI of the Commission Regulation (EC) No 809/2004 of 29 April 2004),
approved by the CNMV on 1 April 2014 (available at www.cnmv.es and
www.lacaixa.com)

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Bonds are in registered form in the denomination of €100,000 each. The Bonds are represented by a Global Bond in registered form and the Global Bond has been deposited with a common depository for Euroclear and Clearstream, Luxembourg and has been registered with a common nominee for Euroclear and Clearstream, Luxembourg. Interests in the Global Bond will be exchangeable for definitive Bonds only in the limited circumstances described below.

Title to book-entry interests in the Bonds passes by book-entry registration of the transfer in the records of Euroclear or Clearstream, Luxembourg, as the case may be, in accordance with their respective procedures. Book-entry interests in the Bonds may be transferred within Euroclear and within Clearstream, Luxembourg and between Euroclear and Clearstream, Luxembourg in accordance with procedures established for these purposes by Euroclear and Clearstream, Luxembourg.

Exchange for Definitive Registered Bonds

The Global Bond is exchangeable in whole, but not in part for definitive registered Bonds if the Global Bond is held on behalf of Euroclear or Clearstream, Luxembourg or any alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so by such holder giving notice to the Fiscal Agent of its intention to exchange the Global Bond on or after the Exchange Date for Definite Bonds. In exchange for the Global Bond, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive registered Bonds.

“Exchange Date for Definite Bonds” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, or any alternative clearing system are located.

Except as otherwise described in the Global Bond, the Global Bond is subject to the Conditions and the Fiscal Agency Agreement (as defined in the Conditions) and, until it is exchanged for definitive registered Bonds, its holder shall in all respects be entitled to the same benefits as if it were the holder of the definitive registered Bonds for which it may be exchanged and as if such definitive registered Bonds had been issued on the date of the Global Bond.

Notices

So long as the Global Bond is held by Euroclear and/or Clearstream, Luxembourg and/or any alternative clearing system, notices required to be given to Bondholders may be given by their being delivered to Euroclear or Clearstream, Luxembourg or, as the case may be, any alternative clearing system, rather than by publication as required by the Conditions, in which case such notices shall be deemed to have been given to Bondholders on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or, as the case may be, any

alternative clearing system; except that so long as the Bonds are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, notices shall also be filed with the Companies Announcement Office of the Irish Stock Exchange for publication in the Announcements section of the website of the Irish Stock Exchange. Any such notice shall be deemed to have been given on the day the same has been delivered to the relevant clearing systems.

Meetings

The holder of the Global Bond shall be treated as one person for the purposes of any quorum requirement of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each €100,000 principal amount of Bonds for which the Global Bond may be exchanged. Any accountholder (or the representative of any such person) of a clearing system with an interest in the Bonds (“**accountholders**”) represented by the Global Bond, on confirmation of entitlement and proof of identity, may attend and speak (but not vote) at any meeting of Bondholders.

Prescription

Claims in respect of the principal amount or interest on Bonds will become void unless made within 10 years (in the case of the principal amount) and five years (in the case of interest) from the appropriate relevant date in respect thereof.

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

Purchase and Cancellation

Cancellation of any Bond represented by the Global Bond which is required by the Conditions to be cancelled will be effected by an appropriate entry in the register maintained in respect of the Bonds by or on behalf of the Paying, Transfer and Exchange Agent.

Exchange at the Option of the Holder

For so long as the Global Bond is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg or any alternative clearing system, Exchange Rights (as defined in the Conditions) may be exercised as against the Issuer at any time during the Exchange Period, except as otherwise provided in the Conditions, by the presentation to or to the order of the Fiscal Agent of the Global Bond, together with one or more Exchange Notices duly completed by or on behalf of a holder of a book-entry interest, in accordance with the standard procedures for Euroclear and/or Clearstream, Luxembourg and/or any alternative clearing system (which may include notice being given on such accountholder’s instructions by Euroclear and/or Clearstream, Luxembourg and/or any alternative clearing system or any common depository for them to the Fiscal Agent by electronic means) and in a form acceptable to Euroclear and/or Clearstream, Luxembourg and/or any alternative clearing system.

Exchange at the Option of the Issuer

Subject to the requirements of Euroclear, Clearstream, Luxembourg or any alternative clearing system, the options of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Bondholders in accordance with the Conditions.

The following legend appears on the Global Bonds and will appear on any definitive Bonds which have an original maturity of more than one year and on all interest coupons relating to such Bonds:

"THE BONDS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNDER THE SECURITIES ACT EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT."

Bonds which are represented by a Global Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

TERMS AND CONDITIONS OF THE BONDS

The following, other than the paragraphs in italics, are the terms and conditions of the Bonds, substantially as they will appear on the reverse of the Bonds in definitive form (if issued):

The issue of the €750,000,000 1.00 per cent. Senior Unsecured Exchangeable Bonds due 2017 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any further bonds issued pursuant to Condition 19 and consolidated and forming a single series with the Bonds) was (save in respect of any such further bonds to be issued pursuant to Condition 19) authorised by resolutions of the Executive Committee of the Board of Directors of Caixa d’Estalvis i Pensions de Barcelona “la Caixa” having its registered office at Av. Diagonal, 621-629, 08028 Barcelona, Spain (the “**Issuer**”) passed on 13 November 2013 on the basis of the authorisation granted by a resolution of the General Assembly of the Issuer passed on 27 June 2013. A fiscal, transfer and exchange agency agreement dated 25 November 2013 (the “**Fiscal Agency Agreement**”) has been entered into in relation to the Bonds between the Issuer, Citibank, N.A., London Branch as fiscal agent (the “**Fiscal Agent**”, which expression shall include any successor as fiscal agent under the Fiscal Agency Agreement), the paying, transfer and exchange agents for the time being (such persons, together with the Fiscal Agent, being referred to below as the “**Paying, Transfer and Exchange Agents**”, which expression shall include their successors as Paying, Transfer and Exchange Agents under the Fiscal Agency Agreement), Citigroup Global Markets Deutschland AG in its capacity as registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Fiscal Agency Agreement) and the provisional commissioner in respect of the Bonds.

Copies of the Fiscal Agency Agreement and these terms and conditions (the “**Conditions**”) are available during normal business hours at the specified office of each of the Paying, Transfer and Exchange Agents and the Registrar. The Bondholders are deemed to have notice of all the provisions of the Fiscal Agency Agreement which are applicable to them. The Fiscal Agency Agreement includes the form of the Bonds. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

The Issuer, as required by Spanish law, has executed an *escritura pública* (the “**Public Deed**”) before a Spanish notary public in relation to the issue of the Bonds and has registered the Public Deed with Barcelona’s Mercantile Registry. The Public Deed contains, among other information, these Conditions.

1. Form, Denomination, and Title

Form and Denomination

The Bonds are in registered form in the principal amount of €100,000 each (the “**authorised denomination**”).

Title

Title to the Bonds passes by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, or theft or loss of it or that of the related certificate, as applicable) or anything written on it or the certificate representing it (other than a duly executed transfer thereof) and no person will be liable for so treating the holder.

2. Status

The Bonds constitute (subject to Condition 3) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves except for any applicable legal and statutory provisions. The obligations of the Issuer under the Bonds shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer. In the event of insolvency (*concurso*) of the Issuer, under Law 22/2003 of 9th July 2003 on insolvency (the “**Insolvency Law**”) claims relating to Bonds will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders.

Pursuant to article 59 of the Insolvency Law, interest shall cease to accrue from the date of declaration of the insolvency of the Issuer. Interest on the Bonds 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 Law.

3. Negative Pledge

So long as any Bond remains outstanding (as defined in the Fiscal Agency Agreement), the Issuer will not, and will ensure that none of its Principal Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (other than any Permitted Encumbrance) (each a “**security interest**”), upon the whole or any part of its or their respective present or future undertaking, assets or revenues (including any uncalled capital) 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 according to the Bonds (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity, or (ii) such other security as shall be approved by a Syndicate of the Bondholders.

In these Conditions:

“Permitted Encumbrance” means 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 or any Principal Subsidiary which asset or undertaking or which Principal Subsidiary is acquired after the date of issue of the Bonds, provided that: (i) such security interest existed at the date of such acquisition; (ii) such security interest was not created in contemplation of such acquisition; and (iii) 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.

“Principal Subsidiary” means, at any time, a Subsidiary of the Issuer (other than CaixaBank, Criteria CaixaHolding, S.A. or any of their respective Subsidiaries) if the non-consolidated total assets or non-consolidated profits before tax of that Subsidiary equals or exceeds 10 per cent. of the non-consolidated total assets or non-consolidated profits before tax of the Issuer.

For this purpose:

- (a) subject to paragraph (b) below:
 - (vi) the non-consolidated total assets or non-consolidated profits before tax of a Subsidiary of the Issuer will be determined from its latest non-consolidated financial statements; and
 - (vii) the non-consolidated total assets or non-consolidated profits before tax of the Issuer will be determined from the latest audited non-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 or non-consolidated profits before tax of that Subsidiary will be determined from its latest non-consolidated financial statements; and
 - (ii) the non-consolidated total assets or non-consolidated profits before tax of the Issuer will be determined from the latest audited non-consolidated financial statements of the Issuer, but adjusted to take account of such Subsidiary;

- (c) if a Subsidiary does not prepare non-consolidated financial statements, then the non-consolidated total assets or non-consolidated profits before tax of such Subsidiary will be determined on the basis of pro forma non-consolidated financial statements;
- (d) if a Principal Subsidiary transfers or disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Principal Subsidiary and such other Subsidiary (if it is not the Issuer or already a Principal Subsidiary) will immediately become a Principal Subsidiary;
- (e) except as specifically mentioned in paragraph (d) above, a Subsidiary which is or becomes a Principal Subsidiary will remain a Principal Subsidiary until the next audited non-consolidated financial statements of the Issuer show otherwise under paragraph (a) above; and
- (f) if there is a dispute as to whether or not a Subsidiary is a Principal Subsidiary, a certificate of the auditors of the Issuer will be, in the absence of manifest error, conclusive.

“Relevant Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognised securities market.

4. Registration and Transfer of Bonds

(a) **Registration**

The Issuer will cause a register (the **“Register”**) to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and exchanges of Bonds.

(b) **Transfer**

Bonds may, subject to the terms of the Fiscal Agency Agreement and to Conditions 4(c) and 4(d), be transferred in an authorised denomination (or integral multiples thereof) by lodging the certificate with respect to the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Exchange Agent.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within seven business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Bond, register

the relevant transfer and deliver a new certificate with respect to the Bond to the transferee (and, in the case of a transfer of part only of a Bond, deliver a certificate with respect to the Bond for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) **Formalities Free of Charge**

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar (and as initially set out in the Fiscal Agency Agreement).

(d) **Closed Periods**

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 11(b); (ii) in respect of which an Exchange Notice has been delivered in accordance with Condition 7(b); (iii) in respect of which the holder has exercised its right to require redemption pursuant to Condition 11(c); or (iv) during the period of 15 days ending on (and including) any Record Date in respect of any payment of interest on the Bonds.

5. Definitions

For the purpose of these Conditions, the following words and phrases shall have the following meanings:

“**Additional Exchange Property**” has the meaning set out in Condition 7(b)(ii);

“**Authorised Officers**” means any director or any other person or persons notified in writing to the Comisario and signed by any such director as being an Authorised Officer;

“**Bondholder**” and “**holder**” means the person in whose name a Bond is registered in the Register (as defined in Condition 4(a));

“**business day**” means, in relation to any place, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in such place;

“**CaixaBank**” means CaixaBank, S.A.;

“**CaixaBank Shares**” means fully paid ordinary shares with a nominal value of EUR 1.00 each in the capital of CaixaBank (ISIN: ES0140609019) and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of those shares which, as between themselves, have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or winding-up of CaixaBank;

“**Calculation Agency Agreement**” means the calculation agency agreement dated 25 November 2013 relating to the Bonds between the Issuer and the Calculation Agent;

“**Calculation Agent**” means Conv-Ex Advisors Limited, or such other entity as may be appointed as such by the Issuer, at its expense, from time to time;

“**Capital Distribution**” means:

- (a) any Non-Cash Dividend; or
- (b) in relation to CaixaBank Shares comprised in the Exchange Property, any Cash Dividend (the “**Relevant CaixaBank Dividend**”) paid or made in any Relevant Year (and on or after the Closing Date and prior to the Final Maturity Date) if and to the extent that the sum of:
 - (i) the Fair Market Value of the Relevant CaixaBank Dividend per CaixaBank Share; and
 - (ii) the aggregate of the Fair Market Value per CaixaBank Share of any other Cash Dividend per CaixaBank Share paid or made in such Relevant Year (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of such Relevant Year),

such sum being the “**Current Year’s CaixaBank Dividends**”, exceeds €0.20 (the “**CaixaBank Reference Amount**”), and in such case the amount of the relevant Capital Distribution shall be the lesser of:

- (1) the amount by which the Current Year’s CaixaBank Dividends exceeds the CaixaBank Reference Amount; and
 - (2) the Fair Market Value of the Relevant CaixaBank Dividend, multiplied by the number of CaixaBank Shares comprised in the Exchange Property and entitled to the Relevant CaixaBank Dividend; or
- (c) in relation to any Equity Share Capital (other than CaixaBank Shares) comprised in the Exchange Property, any Cash Dividend (the “**Relevant Equity Share Dividend**”) paid or made in any Relevant Year (and on or after the Closing Date and prior to the Final Maturity Date) if and to the extent that the sum of:

- (i) the Fair Market Value of the Relevant Equity Share Dividend per share; and
- (ii) the Fair Market Value of any other Cash Dividend per share paid or made in respect of such Relevant Year (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of such Relevant Year),

such sum being the “**Current Year’s Equity Share Dividends**”, exceeds the Equity Share Reference Amount relating to the Relevant Equity Share Dividend, and in such case the amount of the relevant Capital Distribution shall be the lesser of:

- (1) the amount by which the Current Year’s Equity Share Dividends exceeds the Equity Share Reference Amount as determined in respect of the Relevant Equity Share Dividend; and
- (2) the Fair Market Value of the Relevant Equity Share Dividend,

multiplied by the number of such Equity Shares comprised in the Exchange Property and entitled to the Relevant Equity Share Dividend;

For the purposes of the above, “**Relevant Year**” means each successive period of 12 months ending on and including 31 December, commencing with the 12 month period ending on and including 31 December 2013.

“**Cash Dividend**” means (i) any Dividend which is to be paid in cash (in whatever currency), but other than falling within paragraph (b) of the definition of “**Spin-Off**” and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of “Dividend”;

“**Closing Date**” means 25 November 2013;

“**CNMV**” means Spain’s *Comisión Nacional del Mercado de Valores*;

“**Dividend**” means any dividend or distribution to holders of Relevant Securities (including a Spin-Off), whether of cash, assets or other property, and whenever paid or made and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to shareholders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the issue or delivery of Relevant Securities or other property or assets then the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to (i) the Fair

Market Value of such cash amount or (ii) the Fair Market Value of such Relevant Securities or other property or assets, in any such case as at the Effective Date in respect of the relevant Dividend or capitalisation (or, if later, the date on which the number of Relevant Securities (or amount of other property or assets, as the case may be) is determined), the Issuer being entitled to make such election as it may determine in its sole discretion in respect of any such Dividend or capitalisation;

- (b) where there shall be any issue of Relevant Securities by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a cash dividend equivalent or amount is announced or would otherwise be payable to holders of the Relevant Securities, whether at their election or otherwise), the capitalisation in question shall be treated as a Cash Dividend of an amount equal to the Fair Market Value of such Relevant Securities as at the Effective Date in respect of the relevant capitalisation or, if later, the date on which the number of Relevant Securities to be issued is determined;
- (c) any issue of Relevant Securities falling within Condition 8(b)(i) or 8(b)(iii)(A) shall be disregarded;
- (d) any offer by a Relevant Company of Relevant Securities or other securities or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities falling within Condition 8(b)(ii) shall be disregarded;
- (e) a repurchase or redemption of Relevant Securities by or on behalf of a Relevant Company shall be disregarded;
- (f) where a Dividend is paid to holders of any Equity Shares pursuant to any plan implemented by the issuer of such Equity Shares for the purpose of enabling holders of the Equity Shares to elect, or which may require such holders, to receive Dividends in respect of such Equity Shares held by them from a person other than, or in addition to, the Relevant Company, such Dividend shall for the purposes of these Conditions be treated as a Dividend paid to holders of the Equity Shares by the issuer of such Equity Shares, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly; and
- (g) a Dividend that is a Spin-Off shall be deemed to be a Non-Cash Dividend;

and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

“Effective Date” means the first date on which the CaixaBank Shares or, as the case may be, the relevant Equity Share Capital, are traded ex- the relevant Dividend or capitalisation on the Relevant Exchange or, in the case of a Spin-Off, on the first date on which the CaixaBank Shares or, as the case may be, the relevant Equity Share Capital are traded ex- the relevant Spin-Off on the Relevant Exchange;

“Equity Share Capital” means, in relation to any entity, its issued share capital (or equivalent) excluding any part of that capital (or equivalent) which, neither in respect of dividends nor in respect of capital, carries any right to participate beyond a specific amount in a distribution, and **“Equity Share”** shall be construed accordingly;

“Equity Share Reference Amount” means, in relation to any Relevant Equity Share Dividend, 5 per cent. of the average of the Volume Weighted Average Price of the relevant Equity Share Capital on the 5 consecutive Trading Days ending on the Trading Day immediately preceding the Effective Date relating to such Relevant Equity Share Dividend, provided that if on any such Trading Day the Volume Weighted Average Price shall have been based on a price cum-dividend or cum-any other entitlement, the Volume Weighted Average Price of such relevant Equity Share Capital on such dealing day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or other entitlement per share as at the Effective Date relating to such Dividend or entitlement;

“Equivalent Amount” has the meaning set out in Condition 7(b)(iii)(a);

“Exchange Date” has the meaning set out in Condition 7(b)(i);

“Exchange Expenses” has the meaning set out in Condition 7(b)(i);

“Exchange Notice” has the meaning set out in Condition 7(b)(i);

“Exchange Period” has the meaning set out in Condition 7(a)(iv);

“Exchange Property” has the meaning set out in Condition 8(a);

“Exchange Right” has the meaning set out in Condition 7(a)(i);

“Fair Market Value” means, with respect to any property as at or on any date, the fair market value of that property; provided that (i) the fair market value of a Cash Dividend paid or to be paid per CaixaBank Share or other Equity Share shall be the amount of such Cash Dividend per CaixaBank Share or other Equity Share (determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit), as determined by the Calculation Agent; (ii) where Spin-Off Securities, shares, options, warrants or other securities or rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by the Calculation Agent or an Independent Adviser) the fair market value of such Spin-Off Securities, shares, options, warrants or other securities or rights shall equal the arithmetic mean of the daily Volume Weighted

Average Price of such Spin-Off Securities, shares, options, warrants or other securities or rights during the period of 5 Trading Days on the relevant stock exchange or securities market commencing on such date (or, if later, on the first such Trading Day such Spin-Off Securities, shares, options, warrants or other rights are publicly traded) or such shorter period as such Spin-Off Securities, shares, options, warrants or other securities or rights are publicly traded; (iii) where Spin-Off Securities, shares, options, warrants or other securities or rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid) the fair market value thereof shall be determined by an Independent Adviser on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per share, the dividend yield of a share, volatility, prevailing interest rates and the terms of such Spin-Off Securities, shares, options, warrants or other securities or rights and (iv) in each case converted into the currency in which the CaixaBank Shares (where such determination relates to the CaixaBank Shares) or such other Equity Shares (where such determination relates to such other Equity Shares) are traded on the Relevant Exchange (if expressed in a currency other than such currency) at the Screen Rate on such date (or, in the case of (ii), at the average of the Screen Rate for each Trading Day in the relevant period);

“Final Date” means, in relation to any Offer, the date the Offer becomes or is declared unconditional in all respects;

“Final Maturity Date” means 25 November 2017;

“First Call Date” has the meaning provided in Condition 11(b)(ii);

“Free Float” means the aggregate number of CaixaBank Shares held by persons other than members of the board of directors that own (together with any other person or persons with whom they act in concert, as defined in the Spanish Royal Decree 1066/2007 of 27 July on the rules applicable to takeover bids for securities and any amending and implementation regulation) CaixaBank Shares representing less than 5 per cent. of the total number of issued and outstanding CaixaBank Shares, as determined by an Independent Adviser based on the public information regarding CaixaBank displayed in the official website of the Spanish Securities Exchange Commission (*Comisión Nacional del Mercado de Valores*) (www.cnmv.es) and where (i) references to **“CaixaBank Shares”** shall include CaixaBank Shares represented by depositary or other receipts or certificates representing CaixaBank Shares; (ii) CaixaBank Shares held by or on behalf of a depositary or custodian or similar person in respect of any CaixaBank Shares from time to time shall be treated as being held by the person or persons for whose account such CaixaBank Shares are held; (iii) CaixaBank Shares that have been borrowed and remain borrowed pursuant to any stock lending arrangement shall be treated as not being owned by the relevant lender; and (iv) CaixaBank Shares held by or on behalf of CaixaBank or any subsidiary of CaixaBank shall be treated as not constituting part of the Free Float;

a “**Free Float Event**” shall occur if for any period of at least 30 consecutive days the number of CaixaBank Shares comprising the Free Float is equal to or less than 25 per cent. of the total number of issued and outstanding CaixaBank Shares;

“**Free Float Event Notice**” has the meaning provided in Condition 10(e);

“**Further Bonds**” means any Further Bonds issued pursuant to Condition 19 and consolidated and forming a single series with the then outstanding Bonds;

“**Iberclear**” means the Spanish clearing and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.*);

“**Independent Adviser**” means an independent financial institution, which may be (without limitation) Conv-Ex Advisors Limited or such other entity as shall be the Calculation Agent from time to time, appointed at its own expense by the Issuer;

“**Interest Payment Date**” has the meaning set out in Condition 6(a);

“**Interest Period**” has the meaning set out in Condition 6(a);

“**Non-Cash Dividend**” means any Dividend which is not a Cash Dividend;

“**Offer**” has the meaning provided in Condition 9(g);

“**Offer Consideration**” has the meaning provided in Condition 9(b);

“**Optional Redemption Date**” has the meaning provided in Condition 11(b);

“**Predominant Exchange Security**” means, if at any time there is more than one type or series of Relevant Securities in the Exchange Property, such type or series of Relevant Securities which in the determination of the Calculation Agent represents the largest proportion or weighting by value in the Exchange Property at such time;

“**pro rata share**” means, for each Bond at any time, a fraction of the Exchange Property the numerator of which shall be the principal amount of such Bond and the denominator of which shall be the aggregate principal amount of all the Bonds (including the Bond to which the *pro rata* share relates) which are outstanding at such time (excluding for this purpose the principal amount of any Bonds in respect of which Exchange Rights have been exercised by a Bondholder but the Exchange Property has not yet been delivered or paid and excluding from the Exchange Property such *pro rata* share of the Exchange Property in relation to such Bonds);

“**Put Date**” has the meaning provided in Condition 11(c);

“**Put Exercise Notice**” has the meaning provided in Condition 11(c);

“**Put Period**” means the period commencing on the occurrence of a Free Float Event and ending 30 days thereafter or, if later, 30 days following the date on which a Free Float Event Notice is given to Bondholders as required by Condition 10(e);

“Realisation Proceeds” means the proceeds of sale (after the deduction of costs and expenses of such sale and any taxes as determined by the Issuer in its sole discretion to be payable by it in connection with such sale) of the relevant Exchange Property (in the case of Condition 7(b)(ii)), the Relevant Exchange Property (in the case of Condition 11(g)), or the relevant dividends or other income or distributions or rights (in the case of Condition 7(b)(iii)(b)) carried out by an independent broker or investment bank selected by the Issuer, on an arm’s length basis (converted if necessary into euro at the Screen Rate on the date of receipt of such proceeds);

“Record Date” has the meaning provided in Condition 12;

“Register” has the meaning provided in Condition 4(a);

“Registered Securities” has the meaning set out in Condition 7(b)(ii);

“Registration Date” means, in respect of any Registered Securities comprised in the Exchange Property to be delivered to a Bondholder upon exercise of Exchange Rights, the date on which the relevant Bondholder is registered as the holder of such Registered Securities;

“Regulation S” has the meaning set out in Condition 7(b)(i);

“Relevant Bond” has the meaning set out in Condition 6(c);

“Relevant Company” means CaixaBank, and any corporation or company derived from or resulting or surviving from the merger, consolidation, amalgamation, reconstruction or acquisition of CaixaBank with, into or by such other corporation or company, and any other entity, all or part of the share capital of which is, or all or some of the securities of which are, at the relevant time included in the Exchange Property;

“Relevant Date” means, in respect of any Bond, whichever is the later of:

- (a) the date on which payment in respect of it first becomes due; and
- (b) if any payment is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days following the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 17 that such payment will be made, provided that such payment is in fact made as provided in these Conditions;

“Relevant Event” has the meaning set out in Condition 8(b)(iii);

“Relevant Exchange” means:

- (a) in the case of the CaixaBank Shares, the Spanish Stock Exchanges or, if the CaixaBank Shares are no longer admitted to trading on the Spanish Stock Exchanges, the principal stock exchange or securities market on which the CaixaBank Shares are then listed, admitted to trading or quoted or dealt in; or

(b) in the case of any other Equity Shares or Relevant Securities or any other shares, or options, warrants or other rights, the principal stock exchange or securities market on which such Equity Shares or Relevant Securities or any other shares, or options, warrants or other rights are then listed, admitted to trading or quoted or dealt in;

“Relevant Securities” means any securities which at the relevant time are included in the Exchange Property;

“Rights Issue” has the meaning set out in Condition 8(b)(ii);

“Screen Rate” means, on any day, and, in respect of the conversion of one currency into another currency, the rate of exchange between such currencies appearing on or derived from the relevant Bloomberg page as at or about 12 noon (London time) on that day, or, if that page is not available or that rate of exchange does not appear on that page at that time on that day, the rate of exchange between such currencies appearing on such other screen or information service, or determined in such other manner, as the Issuer shall reasonably determine;

“securities” means shares or other securities (including without limitation any options, warrants, convertible bonds, evidence of indebtedness or rights to subscribe or purchase shares or other securities);

“Settlement Date” means (i) in the case of the exercise of Exchange Rights (other than where a Call Election is made) the date falling seven Trading Days after the relevant Exchange Date and (ii) in the case of a delivery of Exchange Property upon redemption following exercise of the Share Redemption Option, the date falling seven Trading Days after the Valuation Date (as defined in Condition 11(g));

“Share Redemption Notice” has the meaning provided in Condition 11(g);

“Share Redemption Option” has the meaning provided in Condition 11(g);

“Share Redemption Option Notice” has the meaning provided in Condition 11(g);

“Spanish Stock Exchanges” means the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the automated quotation system thereof;

“Spin-Off” means:

- (a) a distribution of Spin-Off Securities by CaixaBank to holders of CaixaBank Shares as a class or, as the case may be, by any Relevant Company to the holders of its Equity Share Capital as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than CaixaBank or, as the case may be, the Relevant Company) to holders of CaixaBank Shares as a class or, as the case may be, by any Relevant Company to the holders of its Equity Share Capital as a class pursuant to any

arrangements with CaixaBank or any of its Subsidiaries or, as the case may be, with the Relevant Company or any of its Subsidiaries;

“**Spin-Off Securities**” means Equity Share Capital of an entity other than CaixaBank, or as the case may be, the Relevant Company or options, warrants or other rights to subscribe for or purchase Equity Share Capital of an entity other than CaixaBank, or as the case may be, the Relevant Company;

“**Sub-division, Consolidation or Redenomination**” has the meaning set out in Condition 8(b)(i);

“**Subsidiary**” means in relation to any person at any time, a company, body corporate, corporation, association or other business entity (a) more than 50 per cent of the Voting Rights of which is at the relevant time directly or indirectly owned or controlled by such person or (b) whose affairs and policies at such time such person controls or has the power to control, whether by ownership of Voting Rights, share capital, contract, the power to appoint and remove members of the board of directors or others governing body or otherwise;

“**TARGET Business Day**” means a day (other than a Saturday or Sunday) on which the TARGET System is operating;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto;

“**Tax Redemption Date**” has the meaning provided in Condition 11(b)(i);

“**Tax Redemption Notice**” has the meaning provided in Condition 11(b)(i);

“**Trading Day**” means in respect of CaixaBank Shares or any Relevant Security, Spin-Off Securities or other shares or options, warrants or other rights, a day on which the Relevant Exchange is open for business, other than, in any such case, a day on which the Relevant Exchange is scheduled to or does close prior to its regular closing time, provided that for the purposes of determining any date on which payment of any amount or delivery of any Exchange Property is to be made, “**Trading Day**” will be the Trading Day applicable to the Predominant Exchange Security;

the “**Value**” of any Exchange Property on any day means the aggregate of:

- (i) the value of publicly traded securities included in such Exchange Property, which shall be deemed to be the Volume Weighted Average Price of such securities on such day, provided that if such day is not a day on which the Relevant Exchange is open for business or, if there is no such Volume Weighted Average Price, then the value of such publicly traded securities shall be the Volume Weighted Average Price on the immediately preceding such day, converted (if necessary) into euro at the Screen Rate on such day; and

- (ii) the value of all other assets (other than cash) and of publicly traded securities for which a value cannot be determined pursuant to (i) above included in such Exchange Property, which shall be deemed to be the value on such day (converted (if necessary) into euro as aforesaid) as certified by an Independent Adviser; and
- (iii) the value of cash shall be deemed to be the amount thereof (converted (if necessary) into euro as aforesaid),

provided that (A) if on any day any such publicly traded securities are quoted on the Relevant Exchange cum any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above have the benefit of, or are entitled to, or carry the right to, any dividend or other entitlement, in any such case which a Bondholder would not be entitled to pursuant to these Conditions (including in respect thereof pursuant to Condition 7(b)(iii) or Condition 7(b)(ii)) on exercising Exchange Rights on the last day permitted pursuant to these Conditions or pursuant to Condition 11(g), then the value of any such assets or publicly traded securities on such day shall be reduced by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined by an Independent Adviser) of any entitlement or dividend where that is other than cash and (B) if on any day any such publicly traded securities are quoted or traded on the Relevant Exchange ex any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above do not have the benefit of, or are not entitled to, or do not carry the right to, any dividend or other entitlement, in any such case which a Bondholder would be entitled to pursuant to these Conditions (or in respect of which the relevant Bondholder would have been entitled to receive any amount pursuant to Condition 7(b)(iii), Condition 7(b)(ii) or Condition 11(g)) on exercising Exchange Rights on the last day permitted pursuant to these Conditions, then the value of any such assets or publicly traded securities on such day shall be increased by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined by an Independent Adviser) of any entitlement or dividend where that is other than cash less the amount (if any) in respect of any such dividend, entitlement or, as the case may be, value to which the Bondholder is otherwise entitled pursuant to any other provision of these Conditions;

“Volume Weighted Average Price” means, in respect of any Trading Day:

- (i) in the case of CaixaBank Shares, the order book volume weighted average price of a CaixaBank Share published by or derived from Bloomberg page CABK:SM Equity HP (using the setting labelled “Weighted Average” or its successor “Weighted Average Line” or any equivalent successor label to this setting) in respect of such Trading Day; and

- (ii) in the case of any other Relevant Security, Spin-Off Securities, shares, options, warrants or other rights, the order book volume weighted average price published by or derived from the relevant Bloomberg page in respect of such Trading Day or, if not able to be so determined, the volume weighted average price as obtained or derived from the Relevant Exchange on that Trading Day,

or, in any such case, such other source as shall be determined to be appropriate by an Independent Adviser on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a CaixaBank Share or, as the case may be, any other Relevant Security, Spin-Off Security, share, option, warrant or other right in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined;

“**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) or to elect the majority of the members of the board of directors or other governing body of the relevant entity;

“**€**”, “**euro**” and “**EUR**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

For the purposes of the definition of Capital Distribution, “**Fair Market Value**” (subject as provided in paragraph (a) of the definition of “**Dividend**” and in the definition of “**Fair Market Value**”) shall be determined as at the Effective Date in respect of the relevant Dividend.

In making any calculation of a Capital Distribution, such adjustments (if any) shall be made, including in respect of the CaixaBank Reference Amount or, as the case may be, the Equity Share Reference Amount, as an Independent Adviser (which may be the Calculation Agent) may consider appropriate to reflect any Sub-division, Consolidation or Redenomination of the CaixaBank Shares or any other Equity Share Capital or any change in the number of CaixaBank Shares or shares comprising the relevant Equity Share Capital, as the case may be, in issue in relation to any Relevant Year, or any adjustment to the Exchange Property.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

6. Interest

(a) Interest Rate

The Bonds bear interest from (and including) the Closing Date at the rate of 1.00 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in arrear in equal instalments on 25 May and 25 November in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 25 May 2014.

The period beginning on (and including) the Closing 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 is called an “**Interest Period**”.

The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date.

(b) Accrual of Interest

Each Bond will cease to bear interest (i) where the Exchange Right shall have been exercised in respect thereof, from, and including, the Interest Payment Date immediately preceding the relevant Exchange Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(c)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 11 or Condition 14, from, and including, the due date for redemption or repayment unless, upon due presentation thereof, payment of the full amount due is improperly withheld or refused or, following any election by the Issuer to exercise the Share Redemption Option, the Issuer fails duly to perform its obligations to deliver the relevant Exchange Property and make payment of the Cash Settlement Amount (if any) in accordance with Condition 11(g), in which event such Bond shall continue to bear interest at the rate specified in Condition 6(a) (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder or (if earlier) the date falling seven days following the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 17 that such payment will be made, provided that such payment is in fact made or, as the case may be, until such delivery of the relevant Exchange Property and payment of the Cash Settlement Amount (if any) shall have been made in accordance with Condition 11(g).

(c) Interest upon Exchange prior to Early Redemption

If:

- (i) any notice requiring the redemption of any Bonds is given pursuant to Condition 11(b) on or after (or within 15 days before) the record date or other due date for the establishment of entitlement in respect of any dividend, distribution or interest payable in respect of the CaixaBank Shares (or other Relevant Securities comprising on such date more than one-quarter by Value of the Exchange Property);
- (ii) such notice specifies a date for redemption falling on or before (or within 14 days after) the Interest Payment Date next following such record date; and
- (iii) the Exchange Date in respect of any Bond which is the subject of any such notice (a “**Relevant Bond**”) falls after such record date or other due date for the establishment of entitlement in respect of any such dividend, distribution or interest and on or before the Interest Payment Date next following such record date or other due date for the establishment of entitlement in respect of any such dividend, distribution or interest,

then interest shall accrue on each Relevant Bond from, and including, the preceding Interest Payment Date (or, if the relevant Exchange Date falls on or before the first Interest Payment Date, from, and including, the Closing Date) to, but excluding, the relevant Exchange Date.

Any such interest shall be paid by the Issuer not later than 14 days after the relevant Exchange Date by transfer to a euro account with a bank in a city in which banks have access to the TARGET System in accordance with instructions given by the relevant Bondholder in the relevant Exchange Notice.

7. Exchange Right

(a) Exchange Period and Exchange Rights

- (i) Each Bondholder shall have the right to have all or any of its Bonds redeemed at any time during the Exchange Period referred to below by exchange for, a pro rata share of the Exchange Property as at the relevant Exchange Date. Such redemption of a Bond in exchange for a pro rata share of the Exchange Property is referred to herein as an “exchange” and the right of a Bondholder to require an exchange is herein referred to as the “Exchange Right”. Upon exercise of Exchange Rights, the Issuer shall deliver or procure the delivery of the relevant pro rata share of the Exchange Property as provided in this Condition.
- (ii) Subject to applicable law and as provided in Condition 7(a)(iii) and save as provided in these Conditions, the Exchange Right relating to any Bond may

be exercised by the holder thereof, at any time during the period from (and including) 6 January 2014 up to (and including) the close of business (at the place where the relevant certificate in respect of the Bond is deposited for exchange) on the date which falls 14 days prior to the Final Maturity Date or if such Bond is to be redeemed pursuant to Condition 11(b) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the date which falls 14 days prior to the date fixed for redemption thereof, unless there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Exchange Right shall extend (the “**Extension Period**”) up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment has been received by the Fiscal Agent and notice thereof has been duly given to the Bondholders accordance with Condition 17 or, if earlier, the Final Maturity Date, provided that, in each case, if such final date for the exercise of Exchange Rights is not a business day at the place aforesaid, then the period for exercise of Exchange Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Exchange Rights may not be exercised in respect of a Bond which the relevant holder has either (i) given notice pursuant to Condition 14 or (ii) exercised its right to require the Issuer to redeem pursuant to Condition 11(c) or where the Commissioner, acting upon a resolution of the Syndicate of Bondholders, has given notice in respect of all Bonds pursuant to Condition 14.

- (iii) Save where a notice of redemption is given by the Issuer in circumstances provided in Condition 6(c), Exchange Rights may not be exercised by a Bondholder in circumstances where the relevant Exchange Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive).
- (iv) The period during which Bondholders shall be entitled to exercise Exchange Rights pursuant to these Conditions is referred to as the “**Exchange Period**”.
- (v) Upon a due exercise of Exchange Rights the relevant Bondholder shall be entitled to receive in respect of each Bond subject to the relevant exercise of Exchange Rights a *pro rata* share of the Exchange Property calculated as at the relevant Exchange Date.
- (vi) No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of

the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such fraction and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property.

- (vii) If more than one Bond is to be exchanged by a Bondholder pursuant to any one Exchange Notice, the Exchange Property to be delivered and any sum payable to that Bondholder shall be calculated on the basis of the aggregate principal amount of such Bonds.

(b) Procedure for exercise of Exchange Rights

- (i) Exchange Rights may be exercised by a Bondholder during the Exchange Period by delivering the certificate in respect of the relevant Bond to the specified office of any Paying, Transfer and Exchange Agent, during its usual business hours, accompanied by a duly completed and signed notice of exchange (an “**Exchange Notice**”) in the form (for the time being current) obtainable from any Paying, Transfer and Exchange Agent.

Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Exchange Agent to whom the relevant Exchange Notice is delivered is located.

If such delivery is made later than 4.00pm on any day or on a day which is not a business day in the place at the specified office of the relevant Paying, Transfer and Exchange Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

An Exchange Notice, once delivered, shall be irrevocable.

Any determination as to whether any Exchange Notice has been duly completed and properly delivered shall be made by the relevant Paying, Transfer and Exchange Agent (following consultation with the Issuer) and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Paying, Transfer and Exchange Agents and the relevant Bondholder.

A Bondholder exercising Exchange Rights will be required to certify in the relevant Exchange Notice (a “**U.S. Certification**”) that at the time of signing and delivery of the Exchange Notice, (A) it is not a “U.S. person” within the meaning of Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), (B) it understands that the CaixaBank Shares and/or any other part of the Exchange Property to be transferred or delivered in respect of the relevant Bond or Bonds have not

been registered under the Securities Act and (C) it is located outside the United States (within the meaning of Regulation S), is acquiring the CaixaBank Shares and/or any other part of the Exchange Property to be transferred or delivered in respect of the relevant Bond or Bonds in an “offshore transaction” (as defined in Regulation S) in accordance with Rule 903 or 904 of Regulation S and understands that the CaixaBank Shares and/or any other part of the Exchange Property may not be delivered within the United States upon the transfer or delivery of the Bonds and may not be resold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. If such U.S. Certification is not provided, the relevant Exchange Notice shall be void.

Exchange Rights may only be exercised in respect of an authorised denomination. Where Exchange Rights are exercised in respect of part only of a Bond, the old Bond shall be cancelled and a new Bond for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within seven business days, in the place of the specified office of the Registrar, following the relevant Exchange Date deliver such new Bond to the relevant Bondholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary mail, at the expense of the Bondholder) mail the new Bond by uninsured mail to such address as the Bondholder may request.

The exchange date in respect of a Bond (the “**Exchange Date**”) in respect of which the Exchange Right shall have been exercised by a Bondholder will be the Barcelona business day immediately following the date of the delivery of the Exchange Notice and the relevant Bond as provided in this Condition 7(b).

The Issuer will pay any stamp, registration, documentary, transfer or other similar taxes or duties (including penalties) arising on the transfer or delivery of any Exchange Property to or to the order of a Bondholder pursuant to the exercise of Exchange Rights or, as the case may be, on exercise of the Share Settlement Option (“**Stamp Taxes**”) which are payable or imposed in the Kingdom of Spain and the jurisdiction in which the relevant Exchange Property is situated (and for this purpose any securities in registered form comprising Exchange Property shall be deemed to be situated in the jurisdiction in which the register (or in the case of more than one register, the principal register) on which title to and transfers of such securities are recorded or maintained) is located) or imposed or payable by virtue of the place of incorporation, domicile or tax

residence of the issuer of any Relevant Securities comprised in the relevant *pro rata* share of the Exchange Property, and all other costs, fees and expenses in connection with the transfer or delivery of Exchange Property on exercise of Exchange Rights, including the costs, fees and expenses of any custodian, depository, agent or other entity facilitating the relevant transfer or delivery (together “**Exchange Expenses**”).

Subject to the above, a Bondholder exercising Exchange Rights must pay directly to the relevant authorities any other taxes and capital, stamp, issue, registration, documentary, transfer or other duties (including penalties) arising in any jurisdiction not mentioned above on exchange and/or on the transfer, delivery or other disposition of Exchange Property arising on exercise of Exchange Rights or, as the case may be, on exercise of the Share Settlement Option.

If the Issuer shall fail to pay any Exchange Expenses for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse each such Bondholder in respect of the payment of such Exchange Expenses and any penalties payable in respect thereof.

Each Bondholder must pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Exchange Rights by it.

- (ii) The Issuer shall, as soon as practicable, and in any event not later than the Settlement Date:
 - (1) in respect of CaixaBank Shares (or other securities of companies incorporated in Spain) comprising the relevant *pro rata* share of the Exchange Property, effect delivery of such CaixaBank Shares through Iberclear to an account designated for the purpose in the relevant Exchange Notice;
 - (2) procure that Relevant Securities (other than CaixaBank Shares or other securities of companies incorporated in Spain) comprising the relevant *pro rata* share of the Exchange Property to be delivered on exercise of Exchange Rights are transferred into such name as the Bondholder shall direct pursuant to the Exchange Notice and shall procure that forms of transfer and certificates (if certificates for the Relevant Securities are then generally being issued) together with all other documents of title and evidence of ownership and all other documents necessary to transfer or evidence the transfer of such Relevant Securities will be despatched by mail, and free of charge (but uninsured

and at the risk of the person entitled thereto), to such address, subject to applicable securities laws, as the Bondholder may request (as specified in the relevant Exchange Notice); and

- (3) procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of Exchange Rights shall be despatched and that payment of any part of the Exchange Property comprising cash to be delivered on exercise of Exchange Rights (converted if necessary into euro at the Screen Rate on the relevant Exchange Date) shall be made, in each case in accordance with directions given by the relevant Bondholder in the Exchange Notice.

Notwithstanding the above, in the event that Iberclear (or, where the Exchange Property is comprised of Relevant Securities other than CaixaBank Shares and certificates for such Relevant Securities are not then generally being issued, the clearing system through which the transfer of such Relevant Securities is required to be effected) has been closed for a continuous period of two or more days (excluding Saturdays and Sundays and save by reason of holidays, statutory or otherwise) in the period from (and including) the Exchange Date to (but excluding) the Settlement Date, then the Issuer will notify the relevant Bondholder in accordance with Condition 17 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the date for such delivery shall be the later of the Settlement Date and the earliest practicable date on which the relevant Exchange Property may be delivered by or through Iberclear or, as the case may be, the relevant clearing system.

The Issuer shall not be responsible or liable to any person for any delay in the delivery of any property comprising Exchange Property following exercise of Exchange Rights arising as a result of a failure by the relevant Bondholder to supply all information and details as required by the relevant Exchange Notice.

Notwithstanding the above, if, after the relevant Exchange Date, the Exchange Property has changed in whole or in part as a result of an Offer or as a result of the compulsory acquisition of any Equity Share Capital, in each case as provided in Condition 9, then the Issuer will notify the relevant Bondholder in accordance with Condition 17 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the time for such delivery shall be the longer of such period set out above and the day falling 10 Barcelona business days after the Offer Consideration Date.

If, at any time when the transfer or delivery of any Exchange Property (other than cash) to a Bondholder is required in accordance with these Conditions, such transfer or delivery would, as certified to the Comisario by one Authorised Officer of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will notify the relevant Bondholder in accordance with Condition 17 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the Issuer will make a cash payment to the relevant Bondholder equal to the aggregate of the Realisation Proceeds in respect of the relevant Exchange Property in lieu of the delivery of such Exchange Property to such Bondholder. The Issuer will pay any such amount to the relevant Bondholder not later than 10 TARGET Business Days after the relevant Settlement Date.

If:

- (A) the Exchange Date in respect of any Bond shall be on or after the date of any public announcement affecting the composition of any part of the Exchange Property (other than CaixaBank Shares or other securities in registered form (“**Registered Securities**”) in circumstances where the relevant entitlement is determined by reference to a record date in respect thereof), but before the date on which such change is effective; or
- (B) the Exchange Date in respect of any Bond shall be on or after the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property but before the date on which any resulting adjustment of the Exchange Property becomes effective in accordance with Condition 8(b); or
- (C) the Exchange Date in respect of any Bond shall be on or before the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property in circumstances where the Registration Date in respect of such Registered Securities is after such record date or other due date for the establishment of the relevant entitlement and the relevant Bondholder would not otherwise receive the relevant entitlement but the Issuer has received or is entitled to receive such entitlement,

then the relevant Bondholder, shall be entitled to receive, in respect of the exercise of the relevant Exchange Rights, such *pro rata* amount or, as the case may be, further *pro rata* amount of the Exchange Property (“**Additional Exchange Property**”) as would have been receivable had the relevant Exchange Date occurred immediately after the date on which such change in the composition of the Exchange Property became effective or, as the case may be, had the relevant Registration Date in respect of such Registered Securities been immediately before such record date, and such Additional Exchange Property shall be delivered to the relevant Bondholder in accordance with instructions contained in the relevant Exchange Notice as soon as reasonably practicable following the relevant adjustment to the Exchange Property or the receipt by the Issuer of the relevant Additional Exchange Property.

- (iii) The relevant Bondholder (or the person designated in the relevant Exchange Notice) will be the owner of the pro rata share of the Exchange Property to be delivered upon exchange with effect from (and including) the relevant Exchange Date and will be entitled to all rights, distributions or payments in respect of such Exchange Property from (and including) such Exchange Date and, in respect of any related Additional Exchange Property, will be entitled to all rights, distributions or payments in respect of such Additional Exchange Property from (and including) such Exchange Date.

Subject as provided herein, Exchange Property delivered on exercise of Exchange Rights shall not include any dividends, interest or other income payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of the relevant entitlement falling prior to the relevant Exchange Date.

Exchange Property (and, where appropriate, any Additional Exchange Property) delivered or transferred or to be delivered or transferred upon exchange shall rank for and be entitled to all dividends, interest and other income, payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of entitlement falling on or after the relevant Exchange Date.

If the record date or other due date for the establishment of the relevant entitlement for or in respect of any dividend, interest or other income, payment or distribution or rights on or in respect of such Exchange Property falls on or after the Exchange Date but before the relevant Settlement Date (or any other date from which the relevant Bondholder is treated as the owner of, or entitled to all rights and entitlement to, such Exchange

Property) with the effect that the relevant Bondholder is not entitled to such dividend, interest or other income, payment or distribution of rights, the Issuer will (unless it is able to confer on or deliver to the relevant Bondholder an entitlement to receive such dividend, interest or other income, payment or distribution or rights or unless and to the extent that the same is taken into account for the purposes of Condition 7(b)(ii) relating to entitlement to Additional Exchange Property):

- (a) (in the case of dividends, interest or other income, payment or distributions or rights to be paid or made in cash) pay, or procure the payment to, the exchanging Bondholder in lieu of such dividend, interest or other income or distribution or rights, an amount equal thereto, converted if necessary into euro at the Screen Rate on the date of receipt thereof by the Issuer (the “**Equivalent Amount**”). The Issuer will pay the Equivalent Amount, or procure that it is paid, to the relevant Bondholder by not later than 10 TARGET Business Days after the receipt by the Issuer of such dividend, interest or other income, payment or distribution or rights; and
- (b) (in the case of dividends, or other income or distributions or rights to be satisfied or made otherwise than in cash) deliver, or procure the delivery of, the same to the relevant Bondholder not later than 10 TARGET Business Days after the receipt by the Issuer of such dividend or other income or distribution or rights. If, at any time when the delivery of any such dividend or other income or distribution or rights is required, delivery would, as certified to the Comisario by an Authorised Officer of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will make a cash payment equal to the aggregate Realisation Proceeds of such dividend or other income or distribution or rights, converted, if necessary into euro at the Screen Rate on the date of receipt by the Issuer of the Realisation Proceeds. The Issuer will pay any such amount to the relevant Bondholders not later than 10 TARGET Business Days after the receipt by the Issuer of such dividend or other income or distribution or rights.

For the purposes of the above, if there is an option to receive the relevant entitlement in the form of a cash amount or otherwise than in cash, the entitlement shall be treated as being paid or made in cash, and accordingly the provision of (a) above shall apply.

- (iv) Upon exercise of Exchange Rights, a Bondholder shall, in the relevant Exchange Notice, specify a euro account with a bank in a city in which

banks have access to the TARGET System to which any cash amount payable on or in respect of the exercise of Exchange Rights by that Bondholder shall be credited and the Issuer shall pay such sum to the relevant Bondholder in accordance with any such directions.

(c) Calculation Agent

At any time (i) an amount of Equity Share Capital to be added to the Exchange Property falls to be calculated in accordance with Condition 8(e), (ii) a Premium Compensation Amount falls to be calculated in accordance with Condition 9(d) or (iii) any Relevant Exchange Property or Cash Settlement Amount falls to be calculated in accordance with Condition 11, each such calculation shall be made in good faith by the Calculation Agent on behalf of the Issuer. The Calculation Agent may at the expense of the Issuer obtain the advice or engage the services of any lawyers, accountants, investment banks or other experts whose advice or services the Calculation Agent may deem necessary, and the Calculation Agent may rely upon any advice so obtained. The Calculation Agent is acting exclusively as an agent for the Issuer, and in such capacity does not have any relationship of agency or trust with the Bondholders.

8. The Exchange Property

(a) Initial Exchange Property

The “**Exchange Property**” shall initially comprise 164,835,164 CaixaBank Shares and shall include such other Relevant Securities and other property as may be deemed or required to comprise all or part of the Exchange Property pursuant to these Conditions, but excluding any such property as may be deemed to have ceased to form part of the Exchange Property and excluding any Cash Dividend other than to the extent comprising a Capital Distribution and excluding any other income and other benefits, rights and entitlements derived from the Exchange Property except to the extent forming or to form part of or giving rise to an adjustment to the Exchange Property pursuant to these Conditions.

On the exercise of Exchange Rights, Bondholders will initially be entitled to receive 21,978.0219 CaixaBank Shares for each €100,000 principal amount of Bonds (equivalent to an initial exchange price of €4.55 per CaixaBank Share) subject to adjustment pursuant to these Conditions.

All Exchange Property transferred or delivered upon exercise of Exchange Rights shall be transferred or delivered with full title guarantee and free from any and all security interests or other adverse interests.

(b) Adjustments to the Exchange Property

If at any time any event occurs which may result in any change in composition of the Exchange Property pursuant to paragraphs (i) to (iii) below the Issuer shall consult with the Calculation Agent, and (without prejudice to Condition 8(i)) the Calculation Agent shall in good faith determine, on behalf of and at the expense of the Issuer, the appropriate adjustment (if any) to be made to the Exchange Property and such determination shall be conclusive and binding on the Issuer and the Bondholders absent manifest error.

(i) *Sub-division, Consolidation or Redenomination*

If any Relevant Securities comprising the Exchange Property shall be subdivided or consolidated, re-classified or re-denominated or in any other manner have their par value changed (“**Sub-division, Consolidation or Redenomination**”) then the securities resulting from such Sub-division, Consolidation or Redenomination so far as attributable to the Exchange Property, shall be included in the Exchange Property upon receipt by the Issuer of such securities.

(ii) *Rights Issues*

If further Relevant Securities or other securities, or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities, shall be offered by way of rights to holders of Relevant Securities (or any of them) (a “**Rights Issue**”), then the Issuer shall notify the Bondholders in accordance with Condition 17 and (provided that it is possible to sell such rights under applicable law and/or the terms of the Rights Issue), by not later than the latest day for accepting or taking up any such rights (the “**Election Date**”), the Issuer may elect either:

- (A) to procure on an arm’s length basis in good faith the sale by an independent broker or investment bank selected by the Issuer of sufficient rights to enable the whole of the balance of such rights to be taken up and procure the application of the proceeds of sale, after the deduction of Permitted Expenses, in the taking up of such rights (with any excess proceeds of sale being added to and forming part of the Exchange Property); or
- (B) to add to the Exchange Property such number of Relevant Securities or other securities or options, warrants or rights as would have been subscribed or purchased if sufficient rights had been sold on an arm’s length basis in good faith to enable (after the deduction of Permitted Expenses) the whole of the balance of such rights to be taken up together with an amount equal to that would have been any such excess proceeds of sale as aforesaid.

In the absence of any such election being notified to the Bondholders in accordance with Condition 17 by not later than the Election Date, paragraph (B) shall apply.

If such rights may not be sold under applicable law and/or the terms of the Rights Issue, there will be no addition to the Exchange Property in the event of a Rights Issue.

Any Relevant Securities or other securities or options, warrants or rights taken up pursuant to this paragraph and any excess proceeds of sale as aforesaid shall upon receipt by the Issuer be added to and form part of the Exchange Property.

“Permitted Expenses” means such amount, as determined by the Issuer as would be equivalent to the costs and expenses, including any stamp, transfer, registration or similar duties, that would be incurred by the Issuer in making any such sale, subscription and purchase (whether or not any such sale, subscription or purchase is made), together with such amount as would be equivalent to that necessary to indemnify the Issuer in respect of any liability to taxation in relation to any such sale, subscription and purchase (whether or not any such sale, subscription or purchase is made).

(iii) *Bonus Issues, Capital Distributions, Reorganisations and Payments*

If any of the following events occurs (each a **“Relevant Event”**):

- (A) Relevant Securities or other securities are issued credited as fully paid to holders of Relevant Securities comprised in the Exchange Property by way of capitalisation of profits or reserves or otherwise by virtue of being holders of Relevant Securities (other than where the Relevant Event is determined to constitute a Cash Dividend pursuant to paragraph (a) or (b) of the definition of **“Dividend”**); or
- (B) any Capital Distribution is paid or made in respect of any CaixaBank Shares or Equity Share Capital comprised in the Exchange Property; or
- (C) subject to Condition 8(g)(B) a Relevant Company (or any person on behalf of or at the direction or request of a Relevant Company) purchases or redeems any Relevant Securities comprised in the Exchange Property; or
- (D) pursuant to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not involving liquidation or dissolution), any further Relevant Securities or other securities, property or assets (including cash) are issued, distributed

or otherwise made available to holders of Relevant Securities or other securities comprised in the Exchange Property, or

- (E) any cash amount is paid or distributed in whatever manner (including by way of payment of interest, distribution, dividend, repayment of principal or capital or redemption monies) or any securities or other property is distributed, issued, transferred or delivered in whatever manner, in each case in respect of any Relevant Securities or other property or assets (other than CaixaBank Shares or Equity Share Capital) comprised in the Exchange Property,

then the further Relevant Securities, securities or other property or assets (including cash amounts) received in relation to the Relevant Event, so far as attributable to the Exchange Property or, as the case may be, the relevant Capital Distribution in respect of the CaixaBank Shares or Equity Share Capital comprised in the Exchange Property, shall upon receipt by the Issuer be included as part of the Exchange Property (and, if applicable, applied in accordance with Condition 8(e)).

(c) Notice of Change in Exchange Property

The Issuer shall give notice to the Bondholders in accordance with Condition 17 and to the Fiscal Agent of any change in composition of the Exchange Property as soon as reasonably practicable following such change, and such notice shall include details of the Exchange Property to which the holder of €100,000 principal amount of Bonds would be entitled upon exercise of the Exchange Right in respect of such Bond following such change.

(d) Release from the Exchange Property

Upon delivery of Exchange Property to the relevant Bondholder or upon redemption of the Bonds or upon any purchase and cancellation of the Bonds, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Bond shall cease to be part of the Exchange Property and the Exchange Property shall be reduced accordingly.

(e) Purchase of Equity Securities etc.

If at any time Equity Share Capital is comprised in the Exchange Property and any cash amount or securities or other property is comprised in or is to be added to and form part of the Exchange Property pursuant to these Conditions (other than (i) any additional Equity Share Capital of a class already comprised in the Exchange Property or (ii) as included in the Offer Consideration under Condition 9) before the Exchange Rights lapse, then such cash amount shall be applied, and, following consultation with the Calculation Agent, such securities or other property shall be sold by the Issuer and the proceeds of such sale (net of any

costs and expenses incurred in connection with such sale) shall be applied, by the Issuer as soon as reasonably practicable and to the extent possible in purchasing additional Equity Share Capital of the class then comprised in the Exchange Property (and where at the relevant time the Exchange Property comprises more than one class of Equity Share Capital, in purchasing, on a *pro rata* basis further Equity Share Capital of each such class). Any such additional Equity Share Capital shall be added to and form part of the Exchange Property.

If any cash amount is to be added to and form part of the Exchange Property in circumstances where the Exchange Property comprises solely cash, such cash amount (converted, if necessary, into euro at the Screen Rate prevailing on the date of receipt of such cash amount) shall be or as the case may be, shall be added to the Exchange Property and thereafter the Exchange Property shall comprise and remain solely cash. No interest shall accrue on or in respect of any such cash amount.

(f) Voting Rights etc.

Bondholders shall have no voting rights in respect of the CaixaBank Shares or any other part of the Exchange Property prior to their delivery or transfer to the relevant Bondholder and, where required, the registration in any relevant registries (or as it may direct) upon exercise of Exchange Rights or pursuant to the exercise of the Share Redemption Option.

Where a Dividend in cash is announced by a Relevant Company in respect of Equity Shares which may, at the election of a holder or holders of such Relevant Securities, be satisfied by the issue or delivery of Relevant Securities or other property or assets or where a capitalisation of profits or reserves is announced which may, at the election of a holder or holders of such Equity Shares, be satisfied by the payment of cash, the Issuer shall be entitled to make such election as it may determine in its sole discretion in respect of any such Dividend or capitalisation.

In exercising any voting rights attaching to the CaixaBank Shares and other Relevant Securities that it may have or making any such election to which it may be entitled, the Issuer is not obliged to take account of the interests of the Bondholders and accordingly the Issuer may act in a manner in connection therewith which is contrary to the interests of the Bondholders.

(g) Maintenance of Exchange Property

Exchange Rights are not exercisable in respect of any specific CaixaBank Shares or other property comprising Exchange Property from time to time and no CaixaBank Shares or other Exchange Property has been or will be charged or otherwise placed in custody or set aside to secure or satisfy the Issuer's obligations in respect of the Exchange Rights. At any time the Issuer may or may

not be the owner of the whole or any part of CaixaBank Shares or other property comprising Exchange Property from time to time and the Issuer is not under any obligation to hold any CaixaBank Shares and/or other Exchange Property and may sell or otherwise dispose of the same at any time. The composition of the Exchange Property may also change as a result of the operation of the Conditions.

The arrangements described herein in relation to the Exchange Property do not amount to any security interest in favour of Bondholders to secure the debt obligations of the Bonds or to secure performance of the Exchange Rights thereunder.

Accordingly, in the event the Issuer at any time holds any CaixaBank Shares or other property comprising Exchange Property from time to time and the Issuer is or becomes insolvent, bankrupt or in liquidation, such Exchange Property will form part of the assets of the Issuer available on a pari passu basis to all of its unsecured creditors.

(A) *Ownership of Exchange Property:* At any particular time, the Issuer may or may not hold or be the beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. However, these Conditions shall be read and construed as though at all times the Issuer were the holder and beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. Accordingly, subject as provided in (B), for the purposes of determining whether and to what extent any adjustment should be made to the Exchange Property at any time, for the purposes of these Conditions, the Issuer shall be deemed to be entitled to receive such further or other CaixaBank Shares, Relevant Securities, securities, property or assets including cash and/or consideration on the date the Issuer would have been entitled to receive the same, and to make any relevant elections in respect thereof or relating thereto, as it would have been entitled to receive and or make had it at all relevant times been the holder and beneficial owner of sufficient Exchange Property to satisfy exercise of Exchange Rights or otherwise required to be delivered pursuant to these Conditions in respect of all outstanding Bonds, and references in these Conditions to the Exchange Property being adjusted shall be construed accordingly. In particular (and without limitation):

- (i) *Rights Issues:* In the case of a Rights Issue, the Exchange Property shall be increased by the Relevant Securities or other securities or options, warrants or rights and any excess proceeds of sale which would have been added to the Exchange Property had the Issuer been

the holder and beneficial owner of the Relevant Securities or other securities comprising the Exchange Property at all relevant times and complied with its obligations under Condition 8(b)(ii) in relation thereto;

- (ii) *Purchase of Equity Securities etc.:* If pursuant to Condition 8(e) the Issuer is required to purchase additional Equity Share Capital and at the relevant time the Issuer is not the holder and beneficial owner of sufficient Exchange Property to satisfy Exchange Rights and all other obligations to deliver Exchange Property pursuant to these Conditions in respect of all outstanding Bonds, such additional Equity Share Capital as could have been purchased with the relevant amount of cash or, as the case may be, the net proceeds of sale of the relevant securities or other property if the Issuer had been the holder or beneficial owner of such sufficient Exchange Property shall be added to the Exchange Property;
- (iii) *Dividends:* For the purposes of proviso (a) to the definition of “Dividend” and Condition 8(f), if and to the extent that the Issuer does not own the relevant Equity Shares at the relevant time, then the Issuer shall be entitled to specify by notice to the Bondholders in accordance with Condition 17 (by not later than the last day on which a holder of the relevant Equity Shares would be required to make the relevant election referred to in that definition) that it is to be treated as if it had made such election as it shall specify in such notice, failing which the Dividend or capitalisation shall be treated as a Cash Dividend of the greater of (i) the Fair Market Value on the Effective Date in respect of the relevant Dividend or capitalisation of such cash amount and (ii) the Fair Market Value, on the Effective Date in respect of the Relevant Dividend or capitalisation, of such Dividend of such Relevant Securities or other property or assets;
- (iv) *Realisation Proceeds:* If at any time when the Realisation Proceeds of any property are to be determined the Issuer is not at the relevant time the holder and beneficial owner of sufficient Exchange Property to make the relevant sale or disposal, the Realisation Proceeds in respect thereof shall be calculated as if the Issuer had at the relevant time been the holder and beneficial owner of sufficient Exchange Property and had sold the relevant property as provided in these Conditions;
- (v) *Sale of Exchange Property:* Where any of the provisions of these Conditions require the Issuer to sell any property comprising Exchange Property or deriving therefrom or received in respect thereof, then such provisions shall operate as if the Issuer had sold the same as provided in these Conditions, and an amount equal to that which would have

been the net proceeds of such sale and required to be applied as provided in these Conditions (whether in the purchase of other assets or securities to comprise or be added to the Exchange Property, in payment to Bondholders or otherwise) shall be or, as the case may be, shall be treated as being so applied by the Issuer, with any amount representing what would have been the balance of proceeds of any such sale being treated as being applied as so provided;

(vi) *Time or date of receipt*: Where any of the provisions of these Conditions to the time or date of receipt (howsoever described) by the Issuer of any property or assets (including cash) shall be construed as a reference to the time at, or date on which, the Issuer would otherwise have received or would have first been entitled to receive the same had it been the holder and beneficial owner of sufficient Exchange Property to satisfy Exchange Rights and all other obligations to deliver Exchange Property pursuant to these Conditions in respect of all outstanding Bonds at all relevant times;

(vii) *Delivery of Exchange Property*: Where any of the provisions of these Conditions in respect of the obligation of the Issuer to deliver or distribute all or any part of the Exchange Property or other property or assets (including cash) shall operate as if at all relevant times the Issuer was the holder and beneficial owner of sufficient Exchange Property to satisfy Exchange Rights and all other obligations to deliver Exchange Property pursuant to these Conditions in respect of all outstanding Bonds at all relevant times, and the Issuer shall be required to deliver or distribute the same accordingly; and

(viii) *Offers and Schemes*: For the purposes of Condition 9, the Issuer shall be entitled by notice to the Bondholders in accordance with Condition 17 to elect to be treated as accepting (including as to any alternative consideration) or (unless the Relevant Securities are subject to compulsory acquisition) rejecting such Offer as if it owned the Relevant Securities the subject of such Offer and subject to the provisions of Condition 9.

(B) *Purchase or Redemption of Relevant Securities*: Condition 8(b)(iii)(C) shall be disregarded unless thereafter the total outstanding Relevant Securities are less than the number required to be comprised in the Exchange Property, in which case to the extent of such shortfall, the Issuer shall be treated as if it were the holder and beneficial owner of such Relevant Securities and the provisions of Condition 8(b)(iii)(C) shall apply accordingly in respect of the number of Relevant Securities representing such shortfall.

(h) Other Adjustments to the Exchange Property and Contemporaneous Events

If the Issuer determines that:

- (i) an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in Condition 8(b)(i), 8(b)(ii) or 8(b)(iii), even if the relevant event is or circumstances are specifically excluded from the operation of Condition 8(b)(i), 8(b)(ii) or 8(b)(iii); or
- (ii) more than one event which gives rise or may give rise to an adjustment to the Exchange Property has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
- (iii) one event which gives rise or may give rise to more than one adjustment to the Exchange Property has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,

the Issuer shall determine as soon as practicable what adjustment (if any) to the Exchange Property is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination the Issuer shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination provided that such adjustment shall result in an increase to the Exchange Property.

(i) Decision of an Independent Adviser; Calculation by the Calculation Agent

If any doubt shall arise as to whether an adjustment falls to be made to the Exchange Property, or as to the appropriate adjustment to the Exchange Property, or as to when such adjustment shall take effect or be deemed to have taken effect, and following consultation between the Issuer and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer and the Bondholders, save in the case of manifest error.

If any calculation of any amount of Equity Share Capital to be added to the Exchange Property, Premium Compensation Amount, Relevant Exchange Property or Cash Settlement Amount is made by the Calculation Agent on behalf of the Issuer in accordance with these Conditions, such calculation shall be conclusive and binding on the Issuer and the Bondholders, save in the case of manifest error.

9. General Offers

(a) Acceptance of Offers

In the event of an Offer for any Equity Shares, comprised in the Exchange Property, the Issuer shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, provided that the Issuer will not accept such Offer (a) prior to the Specified Date or (b) unless the value of the consideration offered for such Equity Shares pursuant to the Offer or, where there is any alternative consideration, unless the value of the consideration accepted by the Issuer, is equal to or greater than the value of such Equity Shares.

For the avoidance of doubt, (i) the Issuer may announce its intention to accept any Offer prior to the Specified Date, and (ii) if there is more than one simultaneous Offer, the Issuer may accept any such Offer (including the Offer which includes the lowest consideration) or none of such Offers.

The value of such Equity Shares and the value of any consideration will be determined by reference to market values, where applicable, and such other considerations as shall be considered appropriate.

The Issuer will not accept any Offer in respect of such part of the Exchange Property which would be deliverable to those Bondholders who have exercised Exchange Rights in respect of Bonds where the relevant Exchange Date falls prior to the commencement of any Suspension Period.

Save as otherwise provided in this Condition 9(a), the Issuer shall at all times be entitled at its discretion, in relation to any shares or other securities owned or controlled by it or in respect of which it is entitled to exercise voting rights (whether or not such shares or securities comprise Exchange Property), to vote on, exercise its rights in respect of, or otherwise participate in (or in any such case refrain from doing so), any scheme of arrangement, reorganisation, amalgamation, merger, demerger or reconstruction of any company or companies or other entity or entities (whether or not involving liquidation or dissolution) as it thinks fit.

In accepting or rejecting any Offer or electing for any alternative consideration or in voting on, exercising its rights in respect of, or otherwise participating in, any scheme of arrangement, compromise, reorganisation, amalgamation, merger, demerger or reconstruction, the Issuer is not obliged to take account of the interests of the Bondholders and accordingly the Issuer may act in a manner which is contrary to the best interests of the Bondholders.

(b) Adjustment to Exchange Property

If the Issuer accepts such Offer and the Offer becomes or is declared unconditional in all respects (or if all the Equity Shares not tendered in relation to the relevant Offer are subject to compulsory acquisition) then, and in relation to each Bond for which the Exchange Date has not occurred prior to the Final Acceptance Date, with effect from the Offer Consideration Date, the Equity Shares the subject of such Offer or compulsory acquisition shall be deemed no longer to form part of the Exchange Property and shall be deemed to be replaced by the consideration in respect of the Equity Shares under the Offer or pursuant to such compulsory acquisition or, if there is alternative consideration, such consideration as the Issuer may elect at its sole discretion for the purposes of these Conditions, and if the Issuer shall fail to make such election by not later than five Barcelona business days prior to the Final Date in respect of the relevant Offer, that consideration the Issuer effectively receives for accepting the Offer (the “**Offer Consideration**”).

(c) Suspension of Exchange Rights

The Exchange Rights shall be suspended during the period from and including (i) the Specified Date until the relevant Offer is withdrawn or the relevant Offer lapses or the Final Acceptance Date or, if earlier, until the Final Date and (ii) the date any vote is cast in relation to any applicable scheme referred to in this Condition, which is approved by the required majority, until the same is approved or rejected by any relevant judicial or other authority or otherwise is or becomes or is declared to be effective or the like.

If the Issuer accepts the relevant Offer and the Offer is or becomes unconditional in all respects, Exchange Rights will also be suspended during the period from the Final Acceptance Date, or if earlier, the Final Date until the Offer Consideration Date.

The period during which Exchange Rights are suspended pursuant to this Condition 9(c) is referred to as the “**Suspension Period**”.

Notice of any such Suspension Period (including the commencement and termination thereof) will be given by the Issuer to the Fiscal Agent and to the Bondholders in accordance with Condition 17.

If Exchange Rights are exercised such that the relevant Exchange Date would otherwise fall in the Suspension Period, such exercise shall be null and void.

(d) Premium Compensation Amount

If the Offer Consideration in relation to an Offer in respect of Equity Shares comprised in the Exchange Property consists wholly or partly of cash or other property (other than Eligible Equity Shares), such cash or such other property

shall be added to and form part of the Exchange Property and if the Exchange Date in respect of any Bond falls after the Offer Consideration Date, then the relevant Bondholder shall be entitled to receive, in addition to the relevant *pro rata* share of the Exchange Property pursuant to Condition 7, an amount (the “**Premium Compensation Amount**”) in respect of each €100,000 principal amount of Bonds surrendered for exchange calculated by the Calculation Agent in accordance with the following formula:

$$PC = K^2 * (\text{Principal} - IP) * (T/C) * (CB/(CB+CS))$$

Where:

- PC = Premium Compensation Amount per Bond
- K = the lesser of (a) IP/MP and (b) MP/IP
- Principal = €100,000
- IP = €76,923.08
- CB = the Offered Cash Amount
- CS = the Offered Property Value
- MP = the Value of the *pro rata* share of the Exchange Property in respect of a Bond in the principal amount of €100,000 on the Final Acceptance Date
- C = 1,461, being the number of days from (but excluding) the Closing Date to (and including) the Final Maturity Date
- T = the number of days from (but excluding) the Final Acceptance Date to (and including) the Final Maturity Date (which shall be zero if the Final Acceptance Date occurs after such date)

If any doubt shall arise as to the calculation of the Premium Compensation Amount, and following consultation between the Issuer and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer and the Bondholders, save in the case of manifest error.

(e) Subsequent Offers

The provisions of this Condition 9 shall apply *mutatis mutandis* to any subsequent Offer, with the result that such Bondholder may become entitled to receive more than one Premium Compensation Amount.

(f) Self tenders

If a tender or other offer is made by or on behalf of the issuer of any Relevant Securities comprised in the Exchange Property (or any person associated with

such issuer) to purchase or otherwise acquire, redeem or exchange such Relevant Securities, then for the purposes of these Conditions and for the determination of the composition of the Exchange Property for the purposes of these Conditions only, the Issuer shall not tender or be entitled to be treated as having tendered any such Relevant Securities which are comprised in the Exchange Property or be treated as having accepted any such offer in respect thereof or vote in respect of any such Relevant Securities in relation to any such tender or other offer, nor shall the Issuer exercise or be treated as having exercised any option which it may have in connection therewith or otherwise to require the redemption or repayment of such Relevant Securities.

(g) Definitions

As used in these Conditions:

“EEA Regulated Market” means a market as defined by Article 4.1(14) of Directive 2004/39 EC of the European Parliament and of the Council on Markets in Financial Instruments;

“Eligible Equity Shares” means Equity Share Capital of the offeror provided that, (i) the offeror is a limited liability company (or equivalent) incorporated in or established under the laws of a European Union member state, a state within the European Economic Area or an OECD member state; and (ii) such Equity Share Capital is listed and admitted to trading on an EEA Regulated Market; and (iii) the Equity Share Free Float in respect of such Equity Share Capital shall have been not less than 20 per cent. of the issued and outstanding Equity Share Capital on each of the 30 consecutive Trading Days ending on and including the Final Date;

“Equity Share Capital” and **“Equity Shares”** have the meaning provided in Condition 5;

“Equity Share Free Float” means, in respect of Equity Share Capital, the aggregate number of Equity Shares held by persons that own (together with any other person or persons with whom they act in concert, as defined in the Spanish Royal Decree 1066/2007 of 27 July on the rules applicable to takeover bids for securities and any amending and implementation regulation) Equity Shares representing less than 5 per cent. of the total number of such Equity Shares issued and outstanding, as determined by an Independent Adviser acting reasonably and in good faith, in consultation with the Issuer and where (i) references to **“Equity Shares”** shall include Equity Shares represented by depositary or other receipts or certificates representing Equity Shares; (ii) Equity Shares held by or on behalf of a depositary or custodian or similar person in respect of any Equity Shares from time to time shall be treated as being held by the person or persons for whose account such Equity Shares are held and not by such depositary, custodian or similar person; (iii) Equity Shares that have been

borrowed and remain borrowed pursuant to any stock lending arrangement shall be treated as not being owned by the relevant lender; and (iv) Equity Shares held by or on behalf of the issuer of such Equity Shares or any subsidiary of such issuer or any person acting in concert with such issuer shall be treated as not constituting part of the Equity Share Free Float;

“Final Acceptance Date” means, in respect of any Offer, the final date for acceptance of such Offer which, if such Offer is extended prior to becoming unconditional, shall be the final date for acceptance of the extended Offer (but, if such Offer is or becomes unconditional, disregarding any additional or further period during which such Offer is open for acceptance);

“Final Date” means, in relation to any Offer, the date the Offer becomes or is declared unconditional in all respects;

“Offer” means an offer to the holders of any Equity Shares comprising the Exchange Property, whether expressed as a legal offer, an invitation to treat or in any other way, in circumstances where such offer is available to all holders of the applicable Equity Shares (or all or substantially all such holders other than any holder to whom such offer may not be extended pursuant to applicable securities or other laws or who is, or is connected with, or is deemed to be acting in concert with, the person making such offer or to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any stock exchange in any territory, it is determined not to make such an offer);

“Offer Consideration Date” means, in relation to any Offer (or compulsory acquisition), the date upon which the Offer Consideration is effectively paid to the holders of the Relevant Securities;

“Offered Cash Amount” means the cash amount in euro (or, where applicable, translated into euro at the applicable Screen Rate on the Final Date) comprising the whole or part of the Offer Consideration for one Relevant Security in the Offer (other than cash paid in respect of fractional entitlements to the Offered Property) provided that if the Offered Property comprises securities or property other than Eligible Equity Shares, such securities or property will be deemed, for the purpose of this definition to form part of the Offered Cash Amount in an amount equal to their Fair Market Value at the close of business on the Final Date;

“Offered Property” means the Offer Consideration for one Relevant Security in the Offer excluding the Offered Cash Amount;

“Offered Property Value” means the Fair Market Value of the Offered Property at the close of business on the Final Date. In the case of an Offer the Offer Consideration in respect of which is entirely in cash or securities or property other than Eligible Equity Shares, the Offered Property Value shall be zero; and

“**Specified Date**” means, in relation to any Offer, five Trading Days prior to the Final Acceptance Date.

10. Undertakings

- (a) The Issuer undertakes to make or cause to be made an application on its behalf for the Bonds to be admitted to listing and admitted to trading on a recognised national or international stock exchange within the EU (the “**Admission**”) and to maintain such Admission for as long as any Bond is outstanding.
- (b) The Issuer undertakes to obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Bonds and the Fiscal Agency Agreement.
- (c) Where these Conditions require or contemplate a sale of any property or assets to be made or procured to be made by the Issuer, the Issuer shall procure that the relevant sale is made as soon as reasonably practicable and in any event, if a payment calculated by reference to any such sale (including payment of the Realisation Proceeds) is to be made pursuant to these Conditions, in such time to enable the relevant payment to be made by the time specified in these Conditions.
- (d) If the appointment of an Independent Adviser is required by these Conditions or if these Conditions relate to any matter to be determined by an Independent Adviser, the Issuer shall procure that the relevant appointment is made as soon as practicable and, in any event, in time to enable the proper operation of the relevant provisions of these Conditions.
- (e) Within 14 days following the occurrence of a Free Float Event the Issuer shall give notice thereof to the Bondholders in accordance with Condition 17 (a “**Free Float Event Notice**”). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 11(c).

The Free Float Event Notice shall also specify:

- (i) the Value of the *pro rata* share of the Exchange Property attributable to each €100,000 principal amount of the Bonds as at the last practicable date prior to the publication of the Free Float Event Notice;
- (ii) the last day of the Put Period; and
- (iii) the Put Date.

11. Redemption and Purchase

(a) Final Redemption

Unless previously exchanged, redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Final Maturity Date.

The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 11(b).

(b) Redemption at the Option of the Issuer

(i) For tax reasons

At any time the Issuer may, having given not less than 30 nor more than 45 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 17, redeem (subject as provided below) all but not some only of the Bonds for the time being outstanding on the date specified in the Tax Redemption Notice (the "**Tax Redemption Date**") at their principal amount, together with accrued but unpaid interest to the Tax Redemption Date, if:

- (A) in respect of any payments due on the Bonds prior to the Tax Change Date the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment becomes effective on or after the Closing Date; and
- (B) in any such case, such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such Tax Redemption Notice 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 Bonds then due.

The Issuer will not be entitled to redeem the Bonds pursuant to this Condition 11(b) if it is required to pay any additional amounts as provided or referred to in Condition 13 in respect of any payments due on the Bonds on or after the Tax Change Date.

"**Tax Change Date**" means the date the Issuer ceases to maintain its status of financial entity (*entidad de crédito*) or the Bonds are otherwise ineligible for the tax regime set forth in Law 13/1985.

At least 15 days prior to the publication of any Tax Redemption Notice, the Issuer shall deliver to the Comisario a certificate signed by an Authorised Officer of the Issuer stating 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.

Any Tax Redemption Notice shall be irrevocable.

On the Tax Redemption Date, the Issuer shall (subject to the next following paragraph) redeem the Bonds at their principal amount, together with accrued interest to such date.

If the Issuer gives a notice of redemption pursuant to this Condition 11(b)(i), each Bondholder will have the right to elect that its Bonds shall not be redeemed and that the provisions of Condition 13 shall not apply in respect of any payment to be made on such Bonds which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 13 and payment of all amounts on such Bonds shall be made subject to the deduction or withholding of any Spanish taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Exchange Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Exchange Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

Any Tax Redemption Notice shall specify (i) the Tax Redemption Date, (ii) the last day on which Exchange Rights may be exercised by a Bondholder and (iii) the Value of the *pro rata* share of the Exchange Property attributable to each €100,000 principal amount of the Bonds as at the most recent practicable date prior to the giving of the relevant Tax Redemption Notice.

(ii) *For other reasons*

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount together with accrued interest to the relevant date fixed for redemption:

- (i) at any time on or after 16 December 2015 (the “**First Call Date**”), provided that the Value of the *pro rata* share of the Exchange Property attributable to each €100,000 principal amount of Bonds on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than 14 Trading Days prior to the date on

which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded €130,000; or

- (ii) at any time in the period commencing on an Offer Consideration Date and ending 30 days thereafter if, following the relevant Offer, the Exchange Property consists wholly of cash; or
- (iii) at any time if, prior to the date on which the relevant notice of redemption is given Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

In order to exercise such option the Issuer shall give not less than 30 nor more than 45 days' notice (an "**Optional Redemption Notice**") to the Bondholders in accordance with Condition 17 specifying the date for redemption (the "**Optional Redemption Date**").

Any Optional Redemption Notice shall be irrevocable.

On the Optional Redemption Date, the Issuer shall redeem the Bonds at their principal amount, together with accrued interest to the relevant Optional Redemption Date.

Any Optional Redemption Notice shall specify (i) the Optional Redemption Date, (ii) the last day on which Exchange Rights may be exercised by a Bondholder and (iii) the Value of the *pro rata* share of the Exchange Property attributable to each €100,000 principal amount of the Bonds as at the most recent practicable date prior to the giving of the relevant Optional Redemption Notice.

(c) Redemption at the Option of the Bondholders

Following the occurrence of a Free Float Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Put Date at its principal amount, together with accrued and unpaid interest to such date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Exchange Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying, Transfer and Exchange Agent (a "**Put Exercise Notice**"), at any time during the Put Period. The "**Put Date**" shall be the 14th calendar day after the expiry of the Put Period (or if that is not a TARGET Business Day, the next following TARGET Business Day).

Payment in respect of any such Bond shall be made by transfer to a euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Put Exercise Notice.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Put Exercise Notices delivered as aforesaid on the Put Date.

(d) Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 11, the first of such notices to be given shall prevail.

(e) Purchase

The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price.

(f) Cancellation

Bonds purchased by the Issuer or any of its Subsidiaries may be held, re-issued or sold or cancelled. All Bonds redeemed or exchanged will be cancelled and may not be re-issued or resold.

(g) Share Redemption Option

Notwithstanding any provisions of this Condition 11, the Issuer may elect to satisfy its obligation to redeem the Bonds pursuant to Condition 11(a) by exercising its option (the “**Share Redemption Option**”) with respect to all, but not some only, of the Bonds to be redeemed on the Final Maturity Date, provided that:

- (i) the Relevant Securities comprised in the Exchange Property are listed or traded on a recognised national or international stock exchange as at the date of the Share Redemption Option Notice is given; and
- (ii) the Equity Share Free Float in respect of each class of Equity Share Capital comprised in the Exchange Property is not less than 25 per cent. on each of the 30 Consecutive Trading Days ending not earlier than five Trading Days prior to the date the Share Redemption Option Notice is given.

To exercise its Share Redemption Option, the Issuer shall give a notice to such effect (the “**Share Redemption Option Notice**”) to the Bondholders in accordance with Condition 17. The Share Redemption Option Notice shall be given not more than 60 nor less than 45 Barcelona business days prior to the Final Maturity Date.

A Share Redemption Option shall specify the Relevant Exchange Property, which shall apply in respect of each Bond.

Where the Issuer shall have exercised the Share Redemption Option in respect of the redemption of the Bonds pursuant to Condition 11(a) the Issuer shall, in lieu of redeeming the relevant Bonds in cash, effect redemption in respect of the Bonds by:

- (i) delivering to Bondholders on or prior to the Settlement Date all or part of the *pro rata* share of the Exchange Property in respect of the Bonds as at the Valuation Date; and
- (ii) making payment in respect of each Bond on the Final Maturity Date of the Cash Settlement Amount; and
- (iii) making or procuring payment to the relevant Bondholder on the Final Maturity Date in cash of any accrued and unpaid interest in respect of such Bonds up to the Final Maturity Date,

and the Share Redemption Option Notice shall inform Bondholders accordingly.

“Cash Settlement Amount” means, in respect of a Bond, an amount (if any) by which the principal amount of such Bond exceeds 99 per cent. of the arithmetic average of the Value of the Relevant Exchange Property on each of the 30 Trading Days ending on and including the Valuation Date.

“Relevant Exchange Property” means, in respect of any Bond, that part (which may be all) of the *pro rata* share of the Exchange Property in respect of such Bond which is to be delivered pursuant to the Share Redemption Option (as specified in the Share Redemption Option Notice).

“Valuation Date” means the date falling seven Trading Days prior to the Final Maturity Date.

If either the Issuer does not deliver a relevant Share Redemption Option Notice in the manner and by the time set out in this Condition 11(g) the relevant Bonds shall be redeemed for cash on the Final Maturity Date in accordance with the provisions of Condition 11(a) and payment in respect thereof shall be made in accordance with Condition 12.

If the Issuer elects to exercise the Share Redemption Option, the following provisions shall apply:

- (i) In order to obtain delivery of the Relevant Exchange Property upon redemption, the relevant Bondholder must deliver a duly completed notice, containing a U.S. Certification, substantially in form set out in the Fiscal Agency Agreement (the **“Share Redemption Notice”**) a copy of which may be obtained from the specified office of any Paying, Transfer and Exchange Agent, together with the relevant Bonds to the specified office of any Paying, Transfer and Exchange Agent at least 10 business days in the

relevant place of delivery of such notice prior to the due date for redemption (the “**Notice Cut-off Date**”). If such delivery is made after the end of normal business hours at the specified office of the relevant Paying, Transfer and Exchange Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following business day in such place.

- (ii) Subject as provided herein, the Relevant Exchange Property will be delivered on or prior to the Settlement Date in accordance with the instructions given in the Share Redemption Notice and the Cash Settlement Amount (if any) and any accrued and unpaid interest will be paid on the Final Maturity Date in accordance with Condition 12, provided that the Share Redemption Notice and the relevant Bonds are delivered not later than the Notice Cut-off Date.
- (iii) If the Share Redemption Notice and the certificate in respect of the relevant Bonds are not delivered to a Paying, Transfer and Exchange Agent on or before the Notice Cut-off Date or the Share Redemption Notice does not contain a U.S. Certification, then (1) any accrued and unpaid interest will be paid in accordance with Condition 12 on the Final Maturity Date, (2) on the Final Maturity Date the Relevant Exchange Property will be delivered to an independent financial institution (the “**Relevant Person**”) selected and appointed by the Issuer and (3) on the Final Maturity Date the Cash Settlement Amount (if any) will be paid in accordance with Condition 12. The Issuer shall procure that all of such Relevant Exchange Property shall be sold by or on behalf of the Relevant Person as soon as practicable based on advice from a reputable independent financial institution, investment or commercial bank or broker selected by the Issuer and (subject to any necessary consents being obtained and to the deduction by or on behalf of the Relevant Person of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration and transfer taxes and duties (if any), all Permitted Expenses and any other fees, costs or expenses incurred by the Issuer (including in respect of the selection of such independent financial institution, investment or commercial bank or broker and the appointment of the Relevant Person in connection with the sale thereof) the net proceeds of such sale shall be paid to the Fiscal Agent and such net proceeds (converted if necessary into euro at such rate as the Relevant Person shall determine to be appropriate on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day which the relevant conversion is effected) together with all Cash Settlement Amounts (if any) and any interest in respect of the Bonds paid to the Fiscal Agent, shall be held and distributed rateably to the holders of the relevant Bonds in

accordance with Condition 12 (or in such other manner and at such time as the Issuer shall determine and notify to the Bondholders in accordance with Condition 17). The amount of such net proceeds of sale and all Cash Settlement Amounts (if any) and any interest paid as aforesaid in respect of the Bonds payable to a holder pursuant to this sub-paragraph (iii) shall be treated for all purposes as the full amount due from the Issuer in respect of the relevant Bonds.

- (iv) Without prejudice to any Share Redemption Option Annulment, a Share Redemption Notice shall be irrevocable. Failure properly to complete and deliver a duly completed Share Redemption Notice and the relevant Bonds may result in such notice being treated as null and void and the Issuer shall be entitled to effect settlement in accordance with sub-paragraph (iii) above. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the Issuer in its sole and absolute discretion and shall be conclusive and binding on the relevant Bondholders.
- (v) No fraction of a Relevant Security or any other property comprised in the Relevant Exchange Property which is not divisible shall be delivered upon redemption of the Bonds in accordance with this Condition 11(g) and the Issuer will not make any payment to Bondholders in respect of any such fractions and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property.

If more than one Bond is to be exchanged by a Bondholder pursuant to any one Share Redemption Notice, the Relevant Exchange Property to be delivered and any sum payable to that Bondholder shall be calculated on the basis of the aggregate principal amount of such Bonds.

- (vi) As soon as practicable, and in any event not later than the Settlement Date, the Issuer shall:
 - (1) in respect of CaixaBank Shares (or other securities of companies incorporated in Spain) comprising the Relevant Exchange Property, effect delivery of such CaixaBank Shares through Iberclear to an account designated for the purpose in the relevant Share Redemption Notice;
 - (2) procure that Relevant Securities (other than CaixaBank Shares or other securities of companies incorporated in Spain) comprising the Relevant Exchange Property to be delivered on exercise of the Share Redemption Option are transferred into such name as the Bondholder shall direct pursuant to the Share Redemption Notice and shall procure that forms of transfer and certificates (if certificates for the

Relevant Securities are then generally being issued) together with all other documents of title and evidence of ownership and all other documents necessary to transfer or evidence the transfer of such Relevant Securities will be despatched by mail, and free of charge (but uninsured and at the risk of the person entitled thereto) to such address, subject to applicable securities laws, as the Bondholder may request (as specified in the relevant Share Redemption Notice); and

- (3) procure that such documents of title and evidence of ownership of any other Relevant Exchange Property to be delivered on exercise of the Share Redemption Option shall be despatched and the payment of any part of the Relevant Exchange Property comprising cash to be delivered on exercise of the Share Redemption Option (converted if necessary into euro at the Screen Rate on the relevant Valuation Date) in accordance with directions given by the relevant Bondholder in the Share Redemption Notice.

Notwithstanding the above, in the event that Iberclear (or, where the Relevant Exchange Property comprises of Relevant Securities other than CaixaBank Shares and certificates for such Relevant Securities are not then generally being issued, the clearing system through which the transfer of such Relevant Securities is required to be effected) has been closed for a continuous period of two or more days (excluding Saturdays and Sundays and save by reason of holidays, statutory or otherwise) in the period from (and including) the Valuation Date to (but excluding) the Settlement Date, then the date for such delivery shall be the later of the period above and the earliest practicable date on which the Relevant Exchange Property may be delivered by or through Iberclear or, as the case may be, the relevant clearing system.

The Issuer shall not be responsible or liable to any person for any delay in the delivery of or failure to deliver any property comprising Relevant Exchange Property arising as a result of a failure by the relevant Bondholder to supply all information and details as required by the relevant Share Redemption Notice.

Notwithstanding the above, if, after the relevant Valuation Date, all or any part of the Relevant Exchange Property has changed in whole or in part as a result of an Offer or as a result of the compulsory acquisition of any Equity Share Capital comprised in or relating to the Relevant Exchange Property, in each case as provided in Condition 9, then the time for such delivery shall be the longer of such period set out above and the day falling 10 Barcelona business days after the Offer Consideration Date.

If, at any time when the transfer or delivery of any Relevant Exchange Property (other than cash) to a Bondholder is required, such transfer or delivery would, as certified to the Comisario by an Authorised Officer of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will make a cash payment to the relevant Bondholder equal to the aggregate of the Realisation Proceeds of the Relevant Exchange Property. The Issuer will pay any such amount to the relevant Bondholders not later than 10 TARGET Business Days after the relevant Settlement Date.

If:

- (A) the Valuation Date in respect of any Bond shall be on or after the date of any public announcement affecting the composition of any part of the Relevant Exchange Property (other than CaixaBank Shares or other Registered Securities) in circumstances where the relevant entitlement is determined by reference to a record date in respect thereof, but before the date on which such change is effective; or
- (B) the Valuation Date in respect of any Bond shall be on or after the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Relevant Exchange Property but before the date on which adjustment of the Exchange Property becomes effective in accordance with Condition 8(b); or
- (C) the Valuation Date in respect of any Bond shall be on or before the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Relevant Exchange Property in circumstances where the Registration Date in respect of such Registered Securities is after such record date or other due date for the establishment of the relevant entitlement, in circumstances where the relevant Bondholder would not otherwise receive the relevant entitlement and the Issuer has received or is entitled to receive such entitlement,

then the relevant Bondholder shall be entitled to receive, in respect of the exercise of the Share Redemption Option, such Additional

Exchange Property as would have been receivable by it pursuant to this Condition 11(g) had the relevant Valuation Date occurred immediately after the date on which such change in the composition of the Exchange Property became effective or, as the case may be, had the relevant Registration Date in respect of such Registered Securities been immediately before such record date, and such Additional Exchange Property shall be delivered to the relevant Bondholder in accordance with instructions contained in the relevant Share Redemption Notice as soon as practicable following the relevant adjustment to the Exchange Property or the receipt by the Issuer of the relevant Additional Exchange Property or, if a Share Redemption Notice and relevant Bonds shall not have been delivered to a Paying, Transfer and Exchange Agent on or before the Notice Cut-off Date, such Additional Exchange Property shall be dealt with as provided in Condition 11(g)(iii).

The provisions of Condition 7(b)(iii) shall apply *mutatis mutandis* to this Condition 11(g), provided that references in Condition 7(b)(iii) to the “**Exchange Date**” will be deemed to be references to the Valuation Date and references to the delivery of Exchange Property upon exercise of Exchange Rights shall be deemed to be to the delivery of the Relevant Exchange Property upon redemption.

12. Payments

(a) Principal and Interest

Payment of principal in respect of the Bonds (other than pursuant to Condition 11(c)), payment of accrued interest payable on a redemption of the Bonds (other than pursuant to Condition 11(c)) and payment of any interest due on an Interest Payment Date in respect of the Bonds will be made to the persons shown in the Register at the close of business on the Record Date, and, other than in the case of a payment of any interest due on an Interest Payment Date, subject to surrender (or in the case of partial payment only, endorsement) of the relevant Bond, at the specified office of any Paying, Transfer and Exchange Agent.

Payment of all other amounts will be made as provided in these Conditions.

(b) Method of Payment

Each payment referred to in Condition 12(a) will be made in euro by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System specified by the relevant Bondholder.

(c) Record Date

“**Record Date**” means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

*The Bonds on issue will be represented by a global Bond (the “**Global Bond**”) registered in the name of, and held by a nominee or on behalf of, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).*

All payments in respect of Bonds represented by the Global Bond will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

(d) Agents

The initial Paying, Transfer and Exchange Agents and Registrar and their initial specified offices are listed below. The Issuer reserves the right under the Fiscal Agency Agreement at any time to vary or terminate the appointment of any Paying, Transfer and Exchange Agent or the Registrar and appoint additional or other Fiscal Agents, provided that it will (i) maintain a Fiscal Agent, (ii) maintain Paying, Transfer and Exchange Agents having specified offices in at least two major European cities, (iii) maintain a Paying, Transfer and Exchange Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive and (iv) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Exchange Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

(e) Payments subject to fiscal laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 13. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(f) Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest such unit.

(g) Delay in payment

Bondholders will not be entitled to any further interest or other payment for any delay after the due date in receiving any amount due:

- (i) as a result of the due date not being a business day; or
- (ii) if the relevant Bondholder is late in surrendering the relevant Bond (where such surrender is required pursuant to these Conditions as a precondition to payment).

In this Condition 12(g) “**business day**” means a day (other than a Saturday or Sunday) which is a TARGET Business Day and (where surrender of the relevant Bond is required pursuant to these Conditions as a precondition to payment) and which is a business day in Barcelona and in the place of the specified office of the Paying, Transfer and Exchange Agent to whom the relevant Bond is surrendered.

13. Taxation

All payments in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Kingdom of Spain or any authority therein or thereof having power to tax (“**Taxes**”), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that, as long as the Issuer maintains its status of financial entity (*entidad de crédito*) or the Bonds are otherwise eligible for the application of the tax regime set forth in Additional Provision Two of Law 13/1985, of 25 May on Investment Ratios, Own Funds and Information Obligations of Financial Intermediaries (*Ley 13/1985, de 25 de mayo, de coeficientes de inversión, recursos propios y obligaciones de información de los intermediarios financieros*), as amended (“**Law 13/1985**”), no such additional amounts shall be payable with respect to any Bond:

- (i) to, or to a third party on behalf of, a Bondholder who is liable for such Taxes in respect of such Bond by reason of the Bondholder or beneficial owner of the Bonds (or a fiduciary, settlor, beneficiary, member or shareholder thereof, or a possessor of power over the relevant Bondholder or beneficial owner, if the relevant Bondholder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) having some connection with Spain other than (i) the mere holding of such Bond, or (ii) the receipt of principal, interest, or other amounts in respect of such Bond; or

- (ii) in relation to any Taxes that would not have been so imposed if the Bondholder or the beneficial owner of a Bond had made a declaration of non-tax residence or any other claim or filing for exemption to which it is entitled or had provided any information or documentation (including, but not limited to, a certificate of tax residence issued by the tax authorities of its country of tax residence) which would have allowed those Taxes not being so imposed; or
- (iii) in relation to any estate, inheritance, gift, sales, transfer or similar taxes; or
- (iv) presented for payment in the Kingdom of Spain; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another paying agent in a Member State of the European Union; or
- (vii) in respect of any Taxes imposed on, or with respect to, any payment to a Bondholder in respect of which the Issuer (or an agent acting on behalf of the Issuer) has not received such information as may be necessary to allow payments on such Bond to be made free and clear of Spanish withholding tax or deduction on account of any taxes, including a duly executed and completed payment statement from the Paying, Transfer and Exchange Agent, as may be required in order to comply with the procedures that may be implemented to comply with Spanish Law 13/1985, Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011, of 29 July and any implementing legislation or regulation thereof; or
- (viii) in respect of any Taxes imposed on, or on a third party on behalf of, a Bondholder which is a Spanish-resident legal entity subject to Spanish Corporate Income Tax if the taxing authorities of the Kingdom of Spain determine that the Bonds do not comply with exemption requirements specified in any applicable tax law, including the ruling of the General Directorate of Taxation (*Dirección General de Tributos*) dated 27 July 2004, or any legislation or regulation implementing or complying with, or introduced in order to conform to, such applicable law or such ruling, which law, ruling, legislation or regulation requires a withholding to be made; or
- (ix) any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986 (or any amended or successor version of such sections that is substantively comparable and not materially more onerous

to comply with), any regulations promulgated thereunder, any official interpretations thereof or any agreements entered into in connection with the implementation thereof.

The provisions of this Condition 13 shall not apply in respect of any payments which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 11(b)(i).

14. Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing:

- (a) **Non-Payment/Exchange:** default is made for more than 14 days in the payment on the due date of interest or principal or any other amount payable in respect of the Bonds or default is made for more than 14 days in the performance by the Issuer of its obligations under the Bonds in respect of the exercise of Exchange Rights in respect of any of the Bonds; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in respect of the Bonds which default is incapable of remedy or, if capable of remedy, is not remedied within 90 days after notice of such default shall have been given to the Fiscal Agent at its registered office by any Bondholder; or
- (c) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against, or an encumbrancer takes possession of the whole or substantially the whole of, the property, assets or revenues of the Issuer or any Principal Subsidiary and in any such case is not released, discharged or stayed within 90 days; or
- (d) **Cross-Default:** any other present or future, actual or contingent indebtedness of the Issuer or any Principal Subsidiary for or in respect of borrowed money and being in an aggregate amount greater than €50,000,000 is not paid when due or within any applicable grace period originally specified; or
- (e) **Insolvency:** the Issuer or any Principal Subsidiary is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment of its debts generally, proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally in respect of its debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or substantially all of the debts of the Issuer or any Principal Subsidiary; or
- (f) **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 Principal

Subsidiary and such order or resolution is not discharged or cancelled within 90 days, or the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except 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 Bondholders or (ii) where in the case of a reconstruction, amalgamation, reorganisation, merger or consolidation of the Issuer, the surviving entity effectively assumes the entire obligations of the Issuer under the Bonds, or any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in this paragraph,

then, any Bond may, by notice in writing given to the Fiscal Agent at its specified office by (i) the Commissioner acting upon a resolution of the Syndicate of Bondholders, in respect of all Bonds, or (ii) unless there has been a resolution to the contrary by the Syndicate of Bondholders, any Bondholder in respect of such Bond, be declared immediately due and payable whereupon it shall become immediately due and payable at its Relevant Amount without further formality.

“Relevant Amount” means, in respect of each €100,000 principal amount of Bonds, an amount equal to such principal amount, together with accrued interest thereon, save that if the relevant Event of Default occurs as a result of or in connection with a failure by the Issuer to comply with any of its obligations in relation to the exercise of Exchange Rights, it means an amount equal to the higher of:

- (i) the Value of the *pro rata* share of the Exchange Property and any other amounts which would have been payable and/or deliverable on exchange in respect of such principal amount of Bonds had the date of such declaration been the Exchange Date; and
- (ii) such principal amount, together with accrued but unpaid interest.

References in these Conditions to the principal amount of the Bonds shall, other than in Condition 6 and unless the context otherwise requires, include the Relevant Amount.

15. Prescription

Claims in respect of the principal amount or interest on Bonds will become void unless made within 10 years (in the case of the principal amount) and five years (in the case of interest from the appropriate Relevant Date in respect thereof.

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

16. Syndicate of Bondholders, Modification and Waiver

(a) Syndicate of Bondholders

Bondholders shall meet in accordance with certain regulations governing the Syndicate of Bondholders (the “**Regulations**”). The Regulations contain the rules governing the Syndicate of Bondholders and the rules governing its relationship with the Issuer and are attached to the Public Deed (as defined in the introduction to these Conditions) and are included in the Fiscal Agency Agreement.

Structured Finance Management (Spain) S.L. has been appointed as temporary Commissioner for the Bondholders. Bondholders shall, by virtue of purchasing and/or holding Bonds, be deemed to have agreed to: (i) the appointment of the temporary Commissioner; and (ii) become a member of the Syndicate of Bondholders. Upon the subscription of the Bonds, the temporary Commissioner will call a general meeting of the Syndicate of Bondholders to ratify or reject the acts of the temporary Commissioner, confirm its appointment or appoint a substitute Commissioner for it and to ratify the Regulations. Bondholders shall, by virtue of purchasing and/or holding Bonds, be deemed to have granted to the Fiscal Agent full power and authority to take any action and/or to execute and deliver any document or notices for the purposes of attending on behalf of the Bondholders the first meeting of the Syndicate of Bondholders called to confirm the appointment of the temporary Commissioner, approve its actions and ratify the Regulations contained in the Fiscal Agency Agreement and the Public Deed, and vote in favour of each of those resolutions.

Provisions for meetings of the Syndicate of Bondholders are contained in the Regulations and in the Fiscal Agency Agreement. Such provisions shall have effect as if incorporated herein.

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

In addition to the above, the Issuer and the Bondholders, the latter with the sanction of a resolution of the Syndicate of Bondholders, may agree any modification, whether material or not, to these Conditions and any waiver of any breach or proposed breach of these Conditions.

For the purposes of these Conditions:

- (i) “**Commissioner**” means the *comisario* as this term is defined under the Spanish Law on Capital Companies (*Ley de Sociedades de Capital*) of the Syndicate of Bondholders; and

(ii) **“Syndicate of Bondholders”** means the sindicato as this term is described under the Spanish Law on Capital Companies (Ley de Sociedades de Capital).

In accordance with Spanish law, a general meeting of the Syndicate of Bondholders shall be quorate upon first being convened provided that Bondholders holding or representing two-thirds of the Bonds outstanding attend. If the necessary quorum is not achieved at the first meeting, a second general meeting may be reconvened to meet one month after the first general meeting and shall be quorate regardless of the number of Bondholders who attend. A resolution shall be passed by holders holding an absolute majority in principal amount of the Bonds held by Bondholders present or duly represented at any properly constituted meeting.

(b) Modification of Fiscal Agency Agreement

The Issuer shall only permit any modification, waiver or authorisation of any breach or proposed breach or any failure to comply with the Fiscal Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

(c) Notification to the Bondholders

Any modification, waiver or authorisation in accordance with this Condition 16 shall be binding on the Bondholders and shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 17.

17. Notices

All notices regarding the Bonds will be valid if published through the electronic communication system of Bloomberg. Any such notice will be deemed to have been given on the date of the first publication. So long as the Bonds are represented by a global bond and the rules of any stock exchange on which the Bonds may be listed or admitted to trading at the relevant time so permit, all notices to Bondholders may at the election of the Issuer be made through the relevant clearing system or clearing systems for on transmission to their respective account holders, and any such notice shall be deemed to be given to Bondholders on the date such notice is given or delivered to the relevant clearing system or clearing systems.

18. Replacement of Bonds

If any Bond is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Fiscal Agent, subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and

indemnity as the Issuer may reasonably require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

19. Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions in all respects as the outstanding Bonds or in all respects except for the first payment of interest on them and the first date on which exchange rights may be exercised and so that such further issue shall be consolidated and form a single series with the Bonds.

20. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

21. Governing Law and Jurisdiction

(g) Governing law

The Fiscal Agency Agreement and the Bonds 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. The status of the Bonds as described in Condition 2 and the provisions of Condition 16 relating to the appointment of the Commissioner and the Syndicate of Bondholders are governed by, and shall be construed in accordance with, Spanish law.

(h) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Fiscal Agency Agreement or the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Fiscal Agency Agreement or the Bonds ("**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 Bondholders 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).

(i) *Agent for Service of Process*

The Issuer has appointed CaixaBank London at its registered office for the time being, currently at 130 Fleet Street, 4th Floor, London EC4 2BH as its agent for service of process in respect of any Proceedings in England. Nothing herein or in the Fiscal Agency Agreement shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds of the Bonds will be used for general corporate purposes.

DESCRIPTION OF CAIXABANK AND CAIXABANK SHARES

The Exchange Property initially comprises 164,835,164 CaixaBank Shares. The CaixaBank Shares constitute ordinary shares in the capital of CaixaBank S.A. (ISIN ES0140609019 / Bloomberg CABK SM / Reuters CABK.MC).

Financial and business information relating to CaixaBank, CaixaBank Group and CaixaBank Shares, including details as to the past and further performance of CaixaBank Shares and their volatility, is available from the following sources:

- the *Documento de Registro* relating to CaixaBank, dated 27 June 2013, available at the website of the *Spanish Securities Market Commission* (the “CNMV”) (<http://www.cnmv.es/Portal/verDoc.axd?t={f2657c70-a028-49af-bcb0-14332719a82e}>);
- the auditors' report and audited consolidated annual financial statements of CaixaBank for the financial year ended 31 December 2013 (http://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Informacion_Economica_Financiera/MEM_GRUPCAIXABANK_201312_INGLES_WEB.pdf); and (<http://www.cnmv.es/AUDITA/2013/14921.pdf>)
- the website of the Spanish Stock Exchange (Madrid) (<http://www.bolsamadrid.es/ing/asp/Empresas/FichaValor.aspx?ISIN=ES0140609019&ClvEmis=40609>);

TAXATION

Spain

The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Bonds. It does not purport to be a complete analysis of all tax consequences relating to the Bonds and does not purport to 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 the tax laws of Spain of acquiring, holding and disposing of Bonds and receiving any payments under the Bonds. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date. References in this section to Bondholders include the beneficial owners of the Bonds.

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

- (a) of general application, Additional Provision Two of Law 13/1985, of 25th May on investment ratios, own funds and information obligations of financial intermediaries, as amended ("**Law 13/1985**"), as well as Royal Decree 1065/2007 of 27th July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended by Royal Decree 1145/2011, of 29th July ("**Royal Decree 1065/2007**");
- (b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax ("**IIT**"), Law 35/2006 of 28th November, on the IIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law, as amended, and Royal Decree 439/2007 of 30th March promulgating the IIT Regulations, along with Law 19/1991, of 6th June on Wealth Tax, as amended, and Law 29/1987, of 18 December on the Inheritance and Gift Tax;
- (c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax ("**CIT**"), Royal Legislative Decree 4/2004, of 5th March promulgating the Consolidated Text of the CIT Law, as amended, and Royal Decree 1777/2004, of 30th July promulgating the CIT Regulations; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax ("**NRIT**"), Royal Legislative Decree 5/2004, of 5th March promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of 30th July promulgating the NRIT Regulations, along with Law 19/1991, of 6th June on Wealth Tax as amended and Law 29/1987, of 18 December on the Inheritance and Gift Tax.

Whatever the nature and residence of the Bondholder, the acquisition and transfer of Bonds 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 tax promulgated by Royal Legislative Decree 1/1993, of 24th September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December regulating such tax.

1. Individuals with Tax Residency in Spain

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

Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Bonds constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the IIT Law, and therefore must be included in the investor's IIT savings taxable base pursuant to the provisions of the aforementioned law and generally taxed at a flat rate of 19% on the first EUR 6,000 and 21% for any amount in excess of EUR 6,000.

Exceptionally during the tax period 2013 and 2014, each investor's savings income tax base will be taxed at the following rates: (i) 21% up to EUR 6,000; (ii) 25% from EUR 6,001 up to EUR 24,000; and (iii) 27% on any amount exceeding EUR 24,000.

Article 44 of the Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, has established new information procedures for debt instruments issued under the Law 13/1985 (which do not require identification of the Bondholders) and has provided that the interest will be paid by the Issuer to the Issuing and Principal Paying Agent for the gross amount, provided that such information procedures are complied with, so that any payment under the Bonds will not be subject to withholding tax to the extent that the new simplified information procedures (which do not require identification of the Bondholders) are complied with by the Issuing and Principal Paying Agent as it is described in section "*Simplified information procedures*".

However, in the case of Bonds held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Bonds may be subject to withholding tax at the general rate of 19% which will be made by the depositary or custodian. Exceptionally, during the tax period 2013 and 2014, the withholding tax rate applicable is 21%.

Amounts withheld may be credited against the final IIT liability.

Regarding the interpretation of the "*Simplified information procedures*" please refer to "*Risk Factors – Risks related to the Spanish withholding tax regime*".

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

Individuals with tax residency in Spain are subject to Wealth Tax during the tax year 2014 to the extent that their net worth exceeds EUR 700,000. Therefore, they should take into account the value of the Bonds which they hold as at 31 December 2014, the applicable rates ranging between 0.2% and 2.5%. The Autonomous Communities may have different provisions in this respect.

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

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Bonds by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift

Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 7.65% and 81.6% depending on relevant factors.

2. Legal Entities with Tax Residency in Spain

2.1 Corporate Income Tax (*Impuesto sobre Sociedades*)

Both interest received periodically and income derived from the transfer, redemption or repayment of the Bonds are subject to CIT (at the current general tax rate of 30%) in accordance with the rules for this tax.

In accordance with Section 44.5 of Royal Decree 1065/2007, of 27th July as amended by Royal Decree 1145/2011, of 29th July, and in the opinion of the Issuer, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold tax on interest payments to Spanish CIT taxpayers to the extent that the new simplified information procedures (which do not require identification of the Bondholders) are complied with by the Issuing and Principal Paying Agent as it is described in section “*Simplified information procedures*”.

However, in the case of Bonds held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Bonds may be subject to withholding tax at the generally applicable rate of 19% (exceptionally during the tax period 2013 and 2014, the withholding tax rate applicable is 21%), if the Bonds do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27th July, 2004 in which case the required withholding will be made by the depositary or custodian.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

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

Legal entities resident in Spain for tax purposes are not subject to Wealth Tax.

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

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Bonds by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Bonds in their taxable income for Spanish CIT purposes.

3. Individuals and Legal Entities with no tax residency in Spain

3.1 Non-resident Income Tax (*Impuesto sobre la renta de No Residentes*)

(a) With permanent establishment in Spain

If the Bonds form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Bonds are, generally, the same as those

previously set out for Spanish CIT taxpayers. See "Taxation in Spain-Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)". Ownership of the Bonds by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

(b) *With no permanent establishment in Spain*

Both interest payments received periodically and income derived from the transfer, redemption or repayment of the Bonds, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Bonds, through a permanent establishment in Spain, are exempt from NRIT.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Bonds, in the manner described in section "Simplified information procedures" as laid down in section 44 of Royal Decree 1065/2007. If these information obligations are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Bondholder of such amounts as would have been received by them had no such withholding or deduction been required.

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

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 2.5%.

However, non-Spanish resident individuals will be exempt from Wealth Tax in respect of the Bonds which income is exempt from NRIT as described above.

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

3.3 *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 Bonds by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

Non-Spanish resident legal entities which acquire ownership or other rights over the Bonds by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the Holder.

4. Tax Rules for Bonds not Listed on an Organized Market in an OECD Country

4.1 Withholding on Account of CIT and NRIT

If the Bonds are not listed on an organized market in an OECD country on any Payment Date, payments to Bondholders will be subject to withholding tax at the general rate of 19% (exceptionally, during the tax period 2013 and 2014, the withholding tax rate applicable is 21%), except in the case of Bondholders which are: (a) resident in a Member State of the European Union other than Spain and obtain the interest income either directly or through a permanent establishment located in another Member State of the European Union, provided that such Holders (i) do not obtain the interest income on the Bonds through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a tax haven (as defined by Royal Decree 1080/1991, of 5th July, as amended) or (b) resident for tax purposes of a country which has entered into a convention for the avoidance of double taxation with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Holder.

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

See "Taxation in Spain Individuals with Tax Residency in Spain – Net Wealth Tax (*Impuesto sobre el Patrimonio*)" and "Taxation in Spain – Individuals and legal entities with no tax residency in Spain – Net Wealth Tax (*Impuesto sobre el Patrimonio*)".

5. Simplified information procedures

According to Law 13/1985 the information to be reported by issuers to the Spanish Tax Authorities will be developed in relevant regulations. Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, sets out the procedures to be followed in order to make payments under the Bonds without withholdings or deductions for or on account of Spanish taxes.

The procedures set out in the Agency Agreement provide that the Issuer will pay on each Interest Payment Date the full amount of the payment due and payable to the Issuing and Principal Paying Agent. The Issuing and Principal Paying Agent, on behalf of the Issuer, will deliver a statement in the required form to the Issuer the business day immediately before the relevant Interest Payment Date. The statement shall contain the following information:

- (i) identification of the Bonds;
- (ii) income payment date (or refund if the Bonds are issued at a discount or segregated);
- (iii) total amount of income (or total amount to be refunded if the Bonds are issued at a discount or segregated);
- (iv) total amount payable under the Bonds to each of the Clearing Systems.

If the procedures set out above are complied with, the Issuing and Principal Paying Agent, on behalf of the Issuer, will pay the relevant amount to (or for the account of) the clearing systems without withholdings or deductions for or on account of Spanish taxes. If the

statement is not delivered to the Issuer as described above, the Issuer shall pay such additional amounts as required under terms of the Bonds and pay an appropriate amount to the Spanish tax authorities to the extent required to comply with its obligations with respect thereto. The Issuing and Principal Paying Agent will pay the relevant amount to (or for the account of) the clearing systems.

If, following clarifications by the Spanish Tax Authorities, procedures in relation to Royal Decree 1145/2011 are subsequently amended, the Issuer and the Issuing and Principal Paying Agent will implement such procedures as may be required to enable the Issuer to comply with its obligations under applicable legislation as clarified by the Spanish Tax Authorities. The Issuer undertakes to ensure that the Bondholders are informed of such new procedures and their implications.

Regarding the interpretation of the amendments introduced by Royal Decree 1145/2011 and the new simplified information procedures please refer to “*Risk Factors – Risks related to the Spanish withholding tax regime*”.

The Proposed Financial Transactions Tax (“FTT”)

The European Commission has published a 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**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under current proposals the 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 Bonds 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.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective Bondholders are advised to seek their own professional advice in relation to the FTT.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period

being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Luxembourg has announced that it will no longer apply the withholding tax system as from 1st January, 2015 and will provide details of payments of interest (or similar income) as from this date. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

Foreign Account Tax Compliance Act

FATCA imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a **“foreign financial institution”**, or **“FFI”** (as defined by FATCA)) that does not become a **“Participating FFI”** by entering into an agreement with the U.S. Internal Revenue Service (**“IRS”**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that (a) does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a **“Recalcitrant Holder”**) or (b) fails to waive its rights to prevent an FFI from complying with its disclosure obligations as a Participating FFI. The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1st July, 2014 for payments from sources within the United States and will apply to **“foreign passthru payments”** (a term not yet defined) no earlier than 1st January, 2017. This withholding would potentially apply to payments in respect of (i) any Bonds characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the **“grandfathering date”**, which is the later of (a) 1st July, 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Bonds characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Bonds are issued before the grandfathering date, and additional Bonds of the same series are issued on or after that date, the additional Bonds may not be treated as grandfathered, which may have negative consequences for the existing Bonds, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **“IGA”**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **“Reporting FI”** not subject to withholding under FATCA on any payments it receives provided such FFI complies with the requirements of the relevant IGA. Further, a Reporting FI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **“FATCA Withholding”**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI may be required to withhold on (i) foreign passthru payments and (ii) gross proceeds from the disposition of instruments paying US-

source interest or dividends. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Bonds, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Bonds, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial institutions through which payments on the Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Bonds is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Bonds are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Bonds by the Issuer, any paying agent and the common depository, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Bonds. The documentation expressly contemplates the possibility that the Bonds may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Bonds.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

GENERAL INFORMATION

Authorisation

The issue of Bonds have been duly authorised by a resolution of the Executive Committee of the Board of Directors of the Issuer dated 7 November 2013 on the basis of the authorisation granted by a resolution of the General Assembly of the Issuer passed on 27 June 2013.

Issues of Bonds are required to comply with certain formalities contained in the Spanish Corporations law (*Ley de Sociedades de Capital*) as at the date of this Prospectus, including the publication of the issue in the Corporate Registry Gazette (*Boletín Oficial del Registro Mercantil*) (the “**BORME**”), execution of a public deed of issue (*Escritura de Emisión*), registration of the issue in the Corporate Registry (*Registro Mercantil*), appointment of a Commissioner and the constitution of a Syndicate of Bondholders.

Listing of Bonds

This Prospectus has been approved by the CNMV as competent authority under the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Bonds to be admitted to trading on the Main Securities Market and to be listed on the Official List. The Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Expenses Related to Admission to Trading

The total expenses related to admission to trading are estimated at approximately EUR 15,000.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available in hard copies for inspection from the registered office of the Issuer and from the specified offices of the Paying, Transfer and Exchange Agent(s) for the time being in London:

- (a) the bylaws of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2012, and 31 December 2013, in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited consolidated condensed interim financial statements of the Issuer, in each case together with any audit or limited review report prepared in connection therewith. The Issuer currently prepares unaudited consolidated condensed interim accounts on a half yearly basis;
- (d) the Fiscal, Transfer and Exchange Agency Agreement, the Global Bond and the Bonds in definitive form;
- (e) a copy of this Prospectus; and

(f) any other documents incorporated herein or therein by reference.

Clearing Systems

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). Euroclear and Clearstream, Luxembourg have allocated the ISIN XS0995390621 for the Bonds.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer, nor has been any material adverse change in the prospects of the Issuer or the Group since 31 December, 2013, except as described in "la Caixa" Group financial statements for 2013 and as reported as "Price Sensitive Information" to the CNMV.

Savings Banks and Banking Foundation Law and reorganization of "la Caixa" Group

In accordance with Transitional Provision One of Law 26/2013 of 27 December on Savings Banks and Banking Foundations, those savings banks carrying out its banking activity indirectly through an instrumental banking entity, must be converted into banking foundation by 30 December 2014. This is the case of "la Caixa", which is a savings bank that from 1 July 2011 carries out its activity as credit institution indirectly through CaixaBank, S.A.. Until that time, it shall be governed by Law 31/85 of August, regulating the basic rules on governing bodies of savings banks, by the corresponding implementing regulations, and, where applicable, by the provisions of Royal Decree-Law 11/2010, of July 9, on the governing bodies and other matters relating to the legal framework for savings banks, including their taxation, and article 8.3.d) of Law 13/1985, of May 25, on investment ratios, capital requirements and disclosure obligations for financial intermediaries.

Under the provisions of Law 26/2013, the banking foundation's objects must be social and its core activity focus on the development of welfare programs and appropriate management of its holding in a credit institution. The legal basis for banking foundations is to be found in Law 26/2013, supplemented by the legislation on foundations.

From the point of view of supervision, banking foundations are distinct from ordinary foundations, as is their supervision by the Bank of Spain. The Bank of Spain is, indeed, responsible for monitoring compliance with the legislation apply to banking foundations as stakeholders in a credit institution. It assesses, in particular, the impact on the sound and prudent management of the banking institution based on the criteria established in the regime applying to major holdings in credit institutions.

Conversion of "la Caixa" into a banking foundation

For the purposes of complying with this legal requirement, at the meeting held on 10 April 2014 the Board of Directors of "la Caixa" resolved to call the Annual General Assembly to be held on 22 May 2014, which will resolve on the conversion of "la Caixa" into a banking

foundation. In accordance with the provisions of the Law on Savings Banks and Banking Foundations, the conversion into a banking foundation will involve that "la Caixa" will cease to be a credit institution (savings bank). However, the banking foundation will be supervised by the Bank of Spain with regard to its shareholding interest in CaixaBank as set forth in the Law on Savings Banks and Banking Foundations.

Restructuring operations of "la Caixa" Group

In the context of the conversion of "la Caixa" into a banking foundation, other restructuring operations of "la Caixa" Group will be carried out. On the one hand, the Annual General Assembly of "la Caixa" to be held on 22 May 2014 will ratify, if it deems it appropriate, the dissolution and liquidation of Fundació Caixa d'Estalvis i Pensions de Barcelona ("la Caixa" Foundation), which was approved by the Board of Trustees of "la Caixa" Foundation at the meetings held on 6 and 17 March 2014. Since the liquidation will be effected through a global transfer of assets and liabilities of "la Caixa" Foundation in favour of "la Caixa", the Annual General Assembly will also accept these assets and liabilities.

On the other hand, the Annual General Assembly of "la Caixa" to be held on 22 May 2014 will express, should it be the case, its desire that the banking foundation into which "la Caixa" will be converted approves a partial spin-off (segregación) and contribution to Criteria CaixaHolding, S.A.U. ("Criteria") of (i) "la Caixa" shareholding interest in CaixaBank, so that the banking foundation holds its shareholding interest in CaixaBank indirectly through Criteria, and (ii) the debt instruments of which "la Caixa" is the issuer, including the Bonds (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments).

Dissolution and liquidation of "la Caixa" Foundation

Currently "la Caixa" simultaneously carries out its activity as credit institution (savings bank) and the development of its Welfare Projects (Obra Social). Due to efficiency reasons, over the past two decades "la Caixa" has managed part of its Welfare Projects through "la Caixa" Foundation, which is an instrumental foundation of "la Caixa" which depends on the Board of Directors and the Committee for Social Works of "la Caixa".

Despite the fact that "la Caixa" Foundation has proved to be a very useful instrument during the period in which "la Caixa" has been a savings bank, as a result of "la Caixa" converting into a banking foundation and ceasing to be a savings bank, "la Caixa" Foundation becomes meaningless as an instrumental foundation through which part of the Welfare Projects of "la Caixa" are managed.

Considering the previous, on 27 February 2014 the Board of Directors of "la Caixa" instructed the Board of Trustees of "la Caixa" Foundation to pass all the necessary resolutions for its dissolution and liquidation. Following these instructions, the Board of Trustees of "la Caixa" Foundation, in the meetings held on 6 and 17 March 2014, resolved to dissolve and liquidate "la Caixa" Foundation.

The liquidation of "la Caixa" Foundation will take place through a global transfer of its assets and liabilities in favour of "la Caixa", which will continue to devote them to Welfare Projects. Thus, "la Caixa" will manage all its Welfare Projects directly. It is envisaged that the dissolution and liquidation of "la Caixa" Foundation will be completed during the last

quarter of 2014, therefore, after the conversion of "la Caixa" into a banking foundation. In any case, the following is required for the global transfer of assets and liabilities to be effective: (i) the Annual General Assembly to be held on 22 May 2014 shall ratify the decision of the Board of Trustees with regards to the dissolution and liquidation of "la Caixa" Foundation and (ii) the relevant administrative authorisations shall be obtained.

Spin off in favour of Criteria

The banking foundation into which "la Caixa" will be converted will have as main activities: (i) the management of all the Welfare Projects, as mentioned above, and (ii) the economic activities related to the management of its shareholding interest in CaixaBank, the management of the debt instruments of which "la Caixa" is the issuer and the management of its shareholding interest in Criteria, which is the wholly-owned holding subsidiary by means of which "la Caixa" Group channels all its non-financial investments.

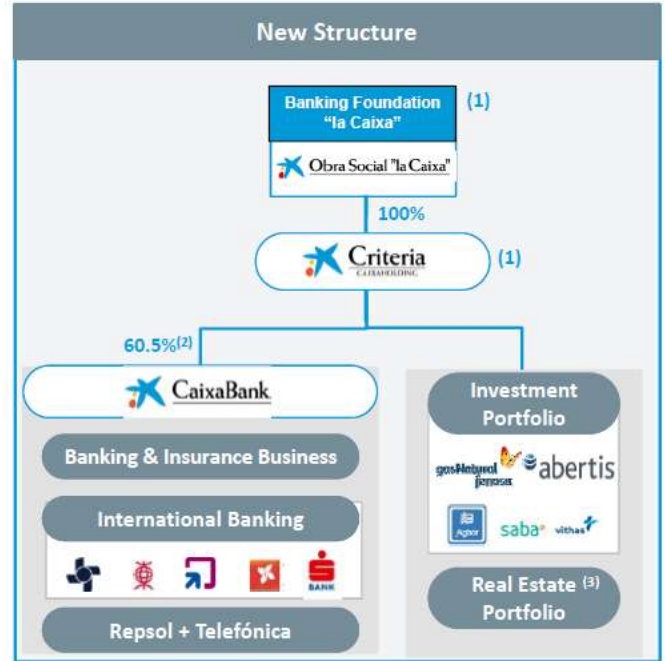
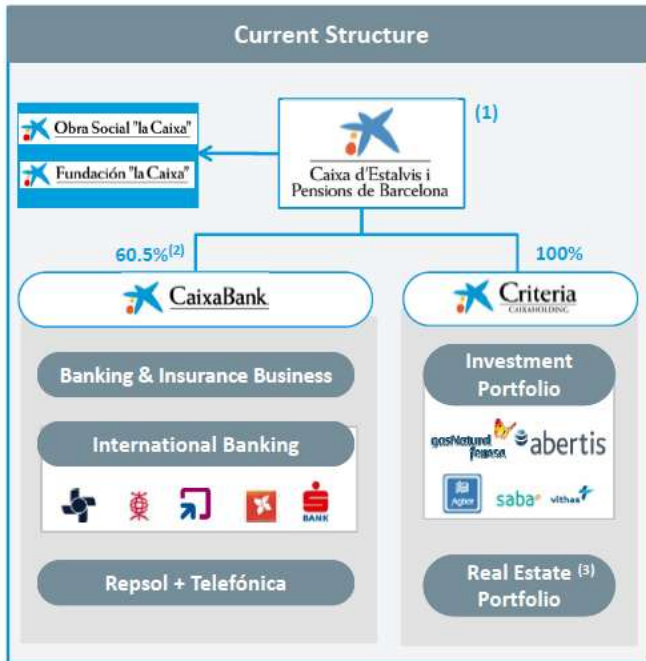
The proper development of all these activities advises to differentiate between the Welfare Projects and the economic activities unrelated to these. For this differentiation to be effective, the Annual General Assembly of "la Caixa" to be held on 22 May 2014 will express, if deemed appropriate, its wish that the banking foundation into which "la Caixa" is converted contributes to Criteria, by means of a spin-off, the shareholding interest in CaixaBank and the debt instruments of which "la Caixa" is the issuer, including the Bonds (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments).

This spin-off transaction will involve that the banking foundation into which "la Caixa" is converted directly manages the Welfare Projects which have traditionally characterized "la Caixa" and, moreover, that the management of the economic activities unrelated to the Welfare Projects is carried out indirectly through a single entity, Criteria, which will be the holding company not only of "la Caixa" Group non-financial investments, as it the case today, but also with regard to the shareholding interest held by "la Caixa" in CaixaBank and the debt instruments of which "la Caixa" is the issuer.

It is envisaged that, subject to the relevant resolutions of the banking foundation and Criteria being passed, the spin-off will be completed in the last quarter of 2014.

Conclusions

In conclusion, as shown in the chart below, in the last quarter, once the restructuring operations of "la Caixa" Group are completed, the banking foundation into which "la Caixa" is converted will: (i) directly manage the Welfare Projects traditionally developed by "la Caixa", without having "la Caixa" Foundation as instrument; and (ii) manage its controlling interest in CaixaBank (which is of 55.9%, on a fully diluted basis) and the debt instruments of which "la Caixa" is the current issuer (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments), indirectly through Criteria, a wholly-owned subsidiary of "la Caixa" (and of the banking foundation into which the latter will be converted) that will continue managing the non-financial investments of "la Caixa" Group.



(1) Once “la Caixa” has been transformed into a Banking Foundation it is foreseen to transfer all assets and liabilities not related to social welfare (“Obra Social”) to Criteria. This includes the full holding of CaixaBank shares and issued outstanding debt which on 31 March 2014 amounted to 7,805 million euro.

(2) As of 31 March 2014 (55.9% fully diluted in 2017)

(3) Outstanding real estate assets resulting from the Group reorganization in 2011

Notwithstanding the previous, since the terms of the Bonds do not specifically contemplate the substitution of the Issuer and given that it is unclear whether under English law a change of the Issuer can take place as a result of the partial segregation of the Issuer, a bondholders meeting is expected to be called to approve the change of the Issuer by Criteria. It is noted that the transfer of the shares of CaixaBank to Criteria under the segregation is permitted under the terms and conditions of the Bonds.

In accordance with article 423.2 of the Spanish Companies Law, the Commissioner shall determine whether the Bondholders General Meeting may be convened through the ordinary procedure foreseen in the Regulations (i.e., a notice published at least one month before the date set for the meeting on the webpage of “la Caixa”) or whether the procedure applicable to convene the shareholders general meeting is required.

Litigation

Save as disclosed in the *Documento de Registro*, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are Deloitte, S.L. (registered as auditors on the *Registro Oficial de Auditores de cuentas*) who have audited the Issuer's accounts, with unqualified opinion, in accordance with generally accepted auditing standards in Spain for each of the two financial years ended on 31 December 2013 and 31 December 2012.

Paying Agent

Citibank, N.A. has been appointed as Principal Paying, Transfer and Exchange Agent:

Citibank, N.A. London Branch
Citigroup Center
Canada Square,
London E14 5LB
United Kingdom

Description of any interest that is material to the issue

So far the Issuer is aware, there are no natural and legal persons with any interest which is material to the issuer.

Neither the Bonds, nor the CaixaBank Shares have been or will be registered under the United States Securities Act of 1933 (the "**Securities Act**") or with any securities regulatory authority of any jurisdiction. The Bonds have been offered in offshore transactions outside the United States in reliance on Regulation S ("**Regulation S**") under the Securities Act and, unless the Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, may not be offered, sold or delivered within the United States or to or for the benefit of U.S. persons.

The Bonds are unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer. Upon the insolvency of the Issuer the Bonds will rank *pari passu* among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of Law 22/2003 (*Ley Concursal*) of 9th July, 2003 (the "**Insolvency Law**") or equivalent legal provisions which replace it in the future, and subject to any applicable legal and statutory exceptions).

An investment in the Bonds involves certain risks. For a discussion of these risks see "*Risk Factors*".

Potential investors should note the statements regarding the tax treatment in Spain of income obtained in respect of the Bonds and the disclosure requirements imposed by Law 13/1985, of 25th May, 1985, as amended, on the Issuer. In particular, payments on the Bonds may be subject to Spanish withholding tax if certain information relating to the Bonds is not received by the Issuer in timely manner.

References in this Prospectus to Bonds being “**listed**” (and all related references) shall mean that such Bonds have been admitted to trading on the Main Securities Market and have been admitted to the Official List of the Irish Stock Exchange.

The Issuer has been rated BBB- by Fitch Ratings España, S.A.U. (“**Fitch**”) on 8 November 2013. Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The Bonds are not rated. A security 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.

The date of this Prospectus is 14 April 2014.

Marcelino Armenter Vidal

Deputy Executive Managing Director

Caixa d’Estalvis i Pensions de Barcelona, “la Caixa”

ISSUER

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