



A LA COMISIÓN NACIONAL DEL MERCADO DE VALORES

CERTIFICADO DE CONCORDANCIA

D. Marcelino Armenter Vidal, de nacionalidad española, con domicilio a estos efectos en Barcelona, Avenida Diagonal 621-629, en nombre y representación de la Caja de Ahorros y Pensiones de Barcelona "la Caixa", (en adelante, "**la Caixa**"), en su condición de Director General Adjunto Ejecutivo debidamente apoderado al efecto por acuerdo del Consejo de Administración de "la Caixa" de 24 de abril de 2014, en relación con el *prospectus* que recoge los requisitos mínimos de información exigidos por los Anexos II y XIII del Reglamento (CE) nº 809/2004 para la admisión a negociación de la emisión de *€1,000,000,000 2.375% Senior Notes due 2019* en AIAF Mercado de Renta Fija, aprobado e inscrito en el registro oficial de la Comisión Nacional del Mercado de Valores,

CERTIFICA

Que la versión impresa inscrita y depositada en esa Comisión se corresponde con la versión en soporte informático que se adjunta.

Asimismo, por la presente se autoriza a esa Comisión para que el citado documento sea puesto a disposición del público a través de su página web.

Y, para que así conste y surta los efectos oportunos, expido la presente certificación en Barcelona a 13 de mayo de 2014.

Caja de Ahorros y Pensiones de Barcelona "la Caixa"
P.p.

D. Marcelino Armenter Vidal
Director General Adjunto Ejecutivo

Prospectus



Caja de Ahorros y Pensiones de Barcelona "la Caixa"

(incorporated as a savings entity (*caja de ahorros*) in Spain)

€1,000,000,000 2.375% Senior Notes due 2019

The issue price of the €1,000,000,000 Senior Notes due 2019 (the **Notes**) of Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (the **Issuer** or "**la Caixa**") is 99.577 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Notes will be redeemed at their redemption amount on 9 May 2019. The Notes are subject to redemption in whole at their redemption amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the Kingdom of Spain. See Condition 8.2 (*Redemption for tax reasons*) in Section 7 (*Terms and Conditions of the Notes*).

The Notes bear interest from 9 May 2014 at the rate of 2.375 per cent. per annum payable annually in arrears on 9 May each year commencing on 9 May 2015. Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the Kingdom of Spain to the extent described under Condition 9 (*Taxation*) in Section 7 (*Terms and Conditions of the Notes*). The offering of the Notes (the **Offering**) is further described under this €1,000,000,000 Senior Notes Prospectus (the **Prospectus**).

This Prospectus constitutes a listing prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council of the European Union, as amended and implemented in each Member State (the **Prospectus Directive**) and has been prepared in accordance with, and including the information required by, Annexes II and XIII of Regulation (EC) No. 809/2004 and is complemented by the Registration Document of "la Caixa" prepared in accordance with Annex XI of the aforementioned Regulation and approved on 1 April 2014 by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores –CNMV–*). This Prospectus has been approved by the CNMV in its capacity as competent authority under Law 24/1988, of 28 July, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores, –LMV–*) and relevant implementing measures in Spain.

Application will be made for the Notes to be admitted to trading on the Spanish AIAF Fixed Income Securities Market (**AIAF**). The Notes may also be admitted to trading on any other secondary market as may be agreed by the Issuer.

This Prospectus is only addressed to, and directed at, persons who are *qualified investors* within the meaning of Article 2.1(e) of the Prospectus Directive.

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

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

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or any U.S. state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated BBB- (negative outlook) by Fitch Ratings España, S.A.U. (**Fitch**). 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 (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The Notes have been rated BBB – by Fitch.

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 assigned rating agency.

Joint Lead Managers

Barclays

CaixaBank, S.A.

Citigroup

J.P. Morgan

Morgan Stanley

The date of this Prospectus is 12 May 2014.

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IMPORTANT NOTICES

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

Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the affairs of the Issuer or its subsidiaries or that the information set forth herein is correct as of any date subsequent to the date hereof.

The Issuer and the Joint Lead Managers as previously listed (the **Joint Lead Managers**) reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes being offered in the proposed Offering. This Prospectus is personal to the offeree to whom it has been delivered by the Joint Lead Managers and does not constitute an offer to any person or to the public in general to purchase or otherwise acquire the Notes. Distribution of this Prospectus to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the Issuer's prior written consent, is prohibited.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, after having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Joint Lead Managers or any person affiliated with the Joint Lead Managers in connection with any investigation of the accuracy of such information or its investment decision, and (ii) no person has been authorised to give any information or to make any representation concerning the Issuer or the Notes (other than as contained herein and information given by the Issuer's duly authorised officers and employees in connection with investors' examination of the Issuer and the terms of this Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

In making an investment decision, investors must rely on their own examination and analysis of the Issuer and the terms of the Offering, including the merits and risks involved.

The Joint Lead Managers are acting exclusively for the Issuer and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Issuer for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

The distribution of this Prospectus and the Offering of Notes is restricted by law in certain jurisdictions, and this Prospectus may not be used in connection with any offer or solicitation in any such jurisdiction, or to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering of the Notes or possession or distribution of a Prospectus in any jurisdiction

where action for that purpose would be required. This Prospectus may not be used for, or in connection with, and does not constitute an offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Prospectus may come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe these restrictions. Neither the Issuer nor any of the Joint Lead Managers accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Issuer's Notes of any of these restrictions.

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

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Notes using this Prospectus will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA. Accordingly, any person making or intending to make an offer within the EEA of Notes which are the subject of the Offering contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Issuer or any of the Joint Lead Managers to produce a prospectus for such offer. None of the Issuer or the Joint Lead Managers has authorised, and none of the Issuer authorises, the making of any offer of Notes through any financial intermediary, other than offers made by the Joint Lead Managers that constitute the final placement of Notes contemplated in this Prospectus.

In this Prospectus, unless otherwise specified, references to a **Member State** are references to a Member State of the EEA and references to **EUR** or **euro** are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Prospectus is being distributed in the United Kingdom only to, and is directed only at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Order; (ii) high net worth companies, unincorporated associations and other bodies within the categories described in Article 49(2) of the Order; and (iii) persons to whom it may otherwise lawfully be communicated (all such persons together, *relevant persons*). Therefore this Prospectus must not be acted on or relied upon (i) in any member state of the EEA other than the United Kingdom, by persons who are not qualified investors, and (ii) in the United Kingdom, by persons who are not qualified investors or relevant persons.

1. OVERVIEW

The following constitutes the summary of the essential characteristics and risks associated with the Issuer and the Notes. This overview should be read as an introduction to this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole, including any documents incorporated by reference and any supplements hereto.

| | |
|--|--|
| Form, denomination and title | The Notes have been issued in uncertificated, dematerialised book-entry form (<i>anotaciones en cuenta</i>) in euro (the Specified Currency) in an aggregate nominal amount of €1,000,000,000 (the Aggregate Nominal Amount) and denomination of €100,000 and integral multiples of €100,000 in excess thereof (each, an Authorised Denomination). |
| Registration, clearing and settlement | The Notes have been registered with the Spanish <i>Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.</i> Unipersonal (Iberclear) as managing entity of the central registry of the Spanish clearance and settlement system (the Spanish Central Registry). Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, société anonyme, Luxembourg (Clearstream Luxembourg) with Iberclear. |
| Title and transfer | <p>Title to the Notes will be evidenced by book entries and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (<i>entidades participantes</i>) in Iberclear (the Iberclear Members) as having an interest in the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein. In these Conditions, the Holder of a Note means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book (or, in the case of a joint holding, the first named thereof) and Noteholder shall be construed accordingly.</p> <p>The Notes are issued without any restrictions on their free transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and / or Iberclear itself, as applicable. Each Holder will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.</p> |
| Issue and Maturity Date | The Notes were issued on 9 May 2014 (the Issue Date) and will mature 5 years after the Issue Date on 9 May 2019 (the Maturity Date). |
| Listing and admission to trading | The Issuer undertakes to make or cause to be made an application on its behalf for the Notes to be admitted to listing and admitted to trading on the Spanish AIAF Fixed Income Securities Market (AIAF), within 30 days after the Issue Date. |
| Status of the notes | The Notes constitute (subject to the provisions of Condition 5 (<i>Negative Pledge</i>)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves except for any applicable legal and statutory exceptions. Upon insolvency of the Issuer, the obligations of the Issuer under the Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of Law 22/2003 (<i>Ley Concursal</i>) dated 9 July 2003 (the Insolvency Law) or equivalent legal provisions which replace it in the future). |
| Negative pledge | So long as any Notes remain outstanding, the Issuer will not, and will procure that Criteria CaixaHolding will not create or have outstanding any mortgage, charge, lien, |

pledge or other security interest (each a **Security Interest**) (other than any Permitted Security Interest), upon the whole or any part of its or their respective undertaking, assets, property or revenues (including uncalled capital), present or future, to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto granting to the Notes (i) the same security as is created or outstanding to secure any such Relevant Indebtedness, guarantee or indemnity, or (ii) such other security as shall be approved by the Syndicate of Noteholders.

In these Conditions:

Criteria CaixaHolding means Criteria CaixaHolding, S.A.U.;

Permitted Security Interest means:

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

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

Interest

The Notes bear interest from the Issue Date at the rate of 2.375 per cent. per annum, (the **Rate of Interest**) payable in arrears on 9 May in each year (each, an **Interest Payment Date**), subject as provided in Condition 7 (*Payments*). The Notes' indication of yield is that of 2.466 per cent per annum, which has been calculated at the Issue Date on the basis of the Issue Price and is not an indication of future yield.

Payments

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

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

Redemption and purchase

Redemption at maturity

Unless previously redeemed or purchased and cancelled, the Notes shall be redeemed in euro at their Redemption Amount on the Maturity Date. The Redemption Amount in respect of each Note shall be €100,000.

Redemption for tax reasons

Provided that Noteholders do not exercise their right, as stated hereunder in Condition 8.2, to elect that its Notes shall not be redeemed for tax reasons, the Notes may be redeemed at the option of the Issuer in whole, but not in part, if required, at any time on

giving not less than 30 and not more than 60 days of notice (the **Tax Redemption Notice**) to the Agent and, in accordance with Condition 14 (*Notices*), to the Noteholders (which notice shall be irrevocable) on the date specified in the Tax Redemption Notice (the **Tax Redemption Date**), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*), in each case as a result of any change in, or amendment to, the laws or regulations of Spain or any political subdivision or any authority or agency thereof or therein, as defined in Condition 9 (*Taxation*), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Agreement Date; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

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

If the Issuer gives a notice of redemption pursuant to Condition 8.2 (*Redemption and Purchase - Redemption for tax reasons*) each Noteholder will have the right to elect that its Notes shall not be redeemed and that the provisions of Condition 8 (*Taxation*) shall not apply in respect of any payment to be made on such Notes which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 8 (*Taxation*) and payment of all amounts on such Notes shall be made subject to the deduction or withholding of any Spanish taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of the Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of the Agent on or before the day falling 10 days prior to the Tax Redemption Date.

Taxation

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law.

Prescription

Claims in respect of the principal amount or interest on Notes will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date, as defined in Condition 9 (*Taxation*).

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

Events of default

If any one or more of the following events (each an **Event of Default**) shall occur and continue:

- (A) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or
- (B) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or as the case may be, the Agency Agreement, or as the case may be, the Deed of Covenant, and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or
- (C) **Cross-default of Issuer or Relevant Subsidiary:**
 - (i) any Indebtedness for Borrowed Money of the Issuer or any of its Relevant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or
 - (ii) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the Relevant Subsidiaries or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness for Borrowed

Money,

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

(D) **Winding up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Relevant Subsidiary and such order or resolution is not discharged or cancelled within 30 days, or the Issuer or any Relevant Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation either (i) on terms previously approved by a resolution of the Syndicate of Noteholders or (ii) is on a solvent basis or (iii) where in the case of a reconstruction, amalgamation, reorganisation, merger or consolidation of the Issuer (or of Criteria CaixaHolding after the Spin Off), the surviving entity has a rating for long-term senior debt assigned by one of the rating agencies equivalent to or higher than the long-term senior debt of the Issuer (or of Criteria CaixaHolding after the Spin Off) prior to such reconstruction, amalgamation, reorganisation, merger or consolidation, except where (a) there is a downgrading due to a change in the valuation methodology of the Issuer (or of Criteria CaixaHolding after the Spin Off) by such rating agency as a consequence of such reconstruction, amalgamation, reorganisation, merger or consolidation, or (b) after the downgrading the surviving entity has a rating for a long term senior debt equivalent or higher of the long term rating, of the Issuer (or of Criteria CaixaHolding after the Spin Off) at the Issue Date; and effectively assumes the entire obligations of the Issuer (or of Criteria CaixaHolding after the Spin Off) under the Notes; or (c) the Issuer (or Criteria CaixaHolding after the Spin Off) is substituted according to Condition 16; or

(E) **Enforcement and Insolvency proceedings:** (i) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (procedimientos concursales) against it or an order is made or a resolution is passed for the dissolution or winding up of the Issuer, and in respect of any of the Issuer's Relevant Subsidiaries, proceedings are initiated against any such Relevant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (unless the exception stated in the aforementioned Condition 11 (D) applies); or (ii) an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); or (iii) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); and in any case the event or events mentioned in Condition 11 (E) is or are not discharged within 30 days; or

(F) **Unsatisfied judgment:** one or more final judgment(s) or order(s) for the payment of any amount which individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Relevant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(G) **Security enforced:** any Security Interest created or assumed by the Issuer or any of its Relevant Subsidiaries becomes enforceable and any steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) provided that the Indebtedness for Borrowed Money to which such Security Interest relates either individually or in aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies); or

(H) **Arrangements with creditors:** the Issuer (or any of its Relevant Subsidiaries) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or

(I) **Failure to take action etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes is not taken, fulfilled or done, save to the extent that any lack of such action would not

be material in the context of the issue of, and performance of the Issuer's obligations under the Notes; or

(J) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

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

When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: **materially weaker** shall mean that Fitch Ratings España, S.A.U. modifies at least by three lower notches the rating previously applied to the Issuer.

For the purpose of Condition 11 (*Events of default*):

Days mean calendar days;

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

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

For this purpose:

- (a) subject to paragraph (b) below:
 - (i) the non-consolidated total assets and non-consolidated profits before tax of a Subsidiary of the Issuer will be determined from its latest non-consolidated financial statements; and
 - (ii) the non-consolidated total assets and 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 and 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 and 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) a Subsidiary which is or becomes a Relevant Subsidiary will remain a Relevant Subsidiary until the next audited non-consolidated financial statements of the Issuer show otherwise under paragraph (a) above;

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

dependent ones, or those with which it has made arrangements through any other person; and

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

Paying agent

CaixaBank, S.A., having its registered office at Avenida Diagonal, 621, 08028 Barcelona, Spain.

The Issuer is entitled to vary or terminate the appointment with the Agent, in its role of paying agent, and/or appoint additional or other paying agents (the **Paying Agents**) and/or approve any change in the specified office through which any Paying Agent acts.

Syndicate of Noteholders and modification

The Noteholders shall meet in accordance with the regulations governing the Syndicate of Noteholders (the **Regulations**). The Regulations shall contain the rules governing the functioning of the Syndicate and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 19. Bondholders, S.L. has been appointed as temporary Commissioner of the Syndicate of Noteholders.

Notices

So long as the Notes are listed on AIAF, notices to the Noteholders will be published in the *Boletín de Cotización de AIAF* (the official bulletin of AIAF). Any such notice will be deemed to have been given on the date of the first publication. In addition, so long as the Notes are represented by book-entries, all notices to Noteholders shall be made through Iberclear for on transmission to their respective accountholders.

Further issues

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

Substitution of the issuer

Substitution under the Spin Off

By subscribing the Notes investors acknowledge that the substitution of the Issuer may take place according to the procedures of Condition 16.1 without the approval of a resolution by the Syndicate of Noteholders being needed.

Upon the Spin Off Effective Date, the Issuer shall, without the further consent of the Noteholders, be replaced and substituted by Criteria CaixaHolding, as the principal debtor in respect of the Notes as described in Condition 16.1.

Substitution of the Issuer by a Subsidiary

The Issuer (or any substitute thereof in accordance hereto, and any reference in Condition 16.2 to the Issuer shall include a reference to any substitute thereof in accordance hereto) may, without the further consent of the Noteholders, be replaced and substituted by a wholly owned Subsidiary (either directly or indirectly) of the Issuer as the principal debtor in respect of the Notes (for the purpose of Condition 16.2; the Substitute Debtor), provided that the requirements listed in Condition 16.2 are met.

Governing law and submission to jurisdiction

Governing law

The Notes and any non-contractual obligations arising out of or in connection with them are, subject as provided below, governed by, and shall be construed in accordance with, English law. Title to the Notes and transfer of the Notes as described in Condition 1.3 (*Title and transfer*), the status of the Notes as described in Condition 4 (*Status of the Notes*), the provisions of Condition 13 (*Syndicate of Noteholders and Modification*) relating to the appointment of the Commissioner and the Syndicate of Noteholders and the Agency Agreement are governed by, and shall be construed in accordance with, Spanish law..

Submission to jurisdiction

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

2. RISK FACTORS

An investment in the Notes is subject to a number of risks. Prospective investors should carefully consider the risks described below, together with other information contained in this Prospectus, before investing in the Notes. If any of the risks described below actually occur, our business, financial condition or results of operations could be materially adversely affected and, accordingly, the market price of the Notes may decline, resulting in a loss of all or part of any investment in the Notes. Furthermore, the risks and uncertainties described may not be the only ones the Issuer faces. Additional risks and uncertainties not presently known or that the Issuer currently considers immaterial may also have a material adverse effect on the Issuer's business, financial condition or results of operations.

RISK FACTORS RELATING TO THE REORGANISATION

There can be no certainty that the Reorganisation will be completed

To comply with Spanish Law on Savings Banks and Banking Foundations dated 27 December 2013 (the **Savings Banks and Banking Foundations Law**) which provides that savings banks indirectly conducting their financial activities as credit institutions through banking subsidiaries must become banking foundations within one year from 29 December 2013 (the date of entry into force of the aforementioned Law), a meeting of the General Assembly of "la Caixa" to be held on 22 May 2014 has been convened to pass, among other things, a resolution to transform "la Caixa" into a banking foundation.

Consequently "la Caixa" Group (group of entities of which "la Caixa" is its parent company) will be reorganised (the **Reorganisation**) as follows:

- the existing "la Caixa" Foundation (the institution through which "la Caixa" has been conducting its social welfare projects (*obra social*)) will be dissolved and "la Caixa" (which will be then transformed into a *banking foundation (fundación bancaria "la Caixa")*) will perform the social welfare functions itself;
- the General Assembly of "la Caixa" will propose that the banking foundation into which "la Caixa" will be converted approves the Spin Off (as defined in Condition 16.1 of Section 7 (*Terms and Conditions of the Notes*)) and contribution to Criteria CaixaHolding, S.A.U. (**Criteria CaixaHolding**) of all of its assets and liabilities of "la Caixa" (except for those relating to social welfare, which will be conducted by "la Caixa"), including, among others, this issue of Notes;
- following "la Caixa"'s proposal, the governing body of the banking foundation (*patronato*) into which "la Caixa" will be converted will resolve to approve the Spin Off and the subsequent assignment to Criteria CaixaHolding of all assets and liabilities of "la Caixa" (except for those relating to social welfare, which will be conducted by "la Caixa"), including, among others, this issue of Notes.

Completion of the Reorganisation (which includes the Spin Off) are subject to the satisfaction of certain conditions, mainly the approval of the transaction by the governing bodies of each of the parties involved and obtaining the relevant regulatory authorisations. Therefore there can be no absolute assurance that the Reorganisation will be completed as currently contemplated or at all.

There can be no certainty that the credit ratings are maintained upon completion of the Reorganisation

The Notes have been rated BBB - by Fitch. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely

by the credit rating agency if, in its judgment, circumstances in the future so warrant.

Additionally, following the Reorganisation, if finally completed, the credit ratings assigned to "la Caixa", Criteria CaixaHolding or the Notes may be reviewed, with no assurance that such review will not result in the credit ratings being downgraded or even in their withdrawal.

A suspension, downgrade or withdrawal at any time of a credit rating assigned to "la Caixa", Criteria CaixaHolding or the Notes by one or more credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Criteria CaixaHolding's current risks may vary if the Reorganisation and the Spin-Off are completed

The risks to which Criteria CaixaHolding is subject (See *Risk factors relating to Criteria CaixaHolding*) are specific to Criteria CaixaHolding's current structure as "la Caixa" Group's investment company, through which the Group holds its shareholdings in strategic sectors such as energy, infrastructure, services and real estate.

Upon the completion of the Reorganisation, the governing body of the banking foundation (*patronato*) into which "la Caixa" will be converted (following "la Caixa"'s Group proposal as stated in Section 6) will transfer to Criteria CaixaHolding all assets and liabilities of "la Caixa" (except for those relating to social welfare, which will be conducted by "la Caixa").

Consequently, Criteria CaixaHolding, will be the holding company not only of "la Caixa" Group's non-financial investments, as it is currently the case, but also of the "la Caixa" shareholding in CaixaBank together with the debt instruments of which "la Caixa" is the issuer, including the Notes. This will have an impact on Criteria CaixaHolding's structure at all levels (financial, managerial, operative, etc.) which will, in turn, modify the current risks Criteria CaixaHolding faces as of today and may incorporate new risks not previously mentioned.

RISK FACTORS RELATING TO "la Caixa" GROUP

Factors that may affect the Issuer's ability to fulfil its obligations under notes issued under the Prospectus

Credit risk

Credit risk is the most significant risk item on "la Caixa" Group's balance sheet, and arises from the banking and insurance business, treasury operations and the equity portfolio. The maximum credit risk exposure at 31 December 2013 of financial instruments recognised under *Held-for-trading portfolio*, *Available-for-sale financial assets*, *Loans and receivables*, *Held-to-maturity investments*, *Hedging derivatives*, *Contingent liabilities* and *Contingent commitments*, does not differ significantly from the carrying amount.

Details of the various items which comprise "la Caixa" Group's assets are available in the consolidated audited financial statements of "la Caixa" Group for 2013.

The following credit risk issues must be highlighted:

Customer credit risk

The Issuer gears its lending activity towards meeting the finance needs of households and businesses. "la Caixa" Group credit risk management is characterised 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 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%).

Credit loss provisions were €15,486 million, an increase of €2,805 million compared to 31 December 2012, representing a doubtful assets coverage ratio of 61.05%.

Policies and strategies relating to problematic assets in the construction and property development sector

The underlying criterion guiding the management of "la Caixa" Group's problematic assets in the real estate sector is to help borrowers meet their obligations.

First, with the commitment of shareholders and other companies within the borrower group, the possibility of granting grace periods is considered, so that the financed plot of land can be developed, ongoing property development can be finalised and finished units can be sold.

With regard to refinancing operations, the aim is to add new guarantees to reinforce those already in place. The policy is to not exhaust the current margin of value provided by the initial guarantees with further mortgages.

For completed projects, the possibility of providing assistance with the sale is analysed through Servihabitat Servicios Inmobiliarios, SL, which is 49%-owned by CaixaBank, "la Caixa" Group's bank subsidiary and exclusively manages, for a period of 10 years, the CaixaBank Group's real estate assets, including the properties of BuildingCenter, SAU, and VIP Gestión de Inmuebles, SLU, property holding companies of the CaixaBank Group and the Criteria CaixaHolding Group, in which "la Caixa" has a direct stake.

Since the reorganisation in 2011 of "la Caixa" Group, BuildingCenter, SAU 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.

In accordance with "la Caixa"'s reporting transparency policy and the guidelines of the Bank of Spain, the main data at 31 December 2013 and 31 December 2012 regarding financing for property development, home purchasing and foreclosed assets is discussed below.

The tables below show financing for real estate developers and developments, including development carried out by non-developers, at 31 December 2013 and 31 December 2012. The excess over the value of the guarantee is calculated as the difference between the gross amount of the loan and the value of the rights in rem received as collateral after applying the weightings set out in Appendix IX of Bank of Spain Circular 4/2004.

31.12.2013

(Thousands of euro)

| | Gross amount | Excess over value of collateral | Specific allowance |
|--|---------------------|--|---------------------------|
| Credit recognised by "la Caixa" Group credit institutions | 19,980,018 | 4,955,622 | 6,941,610 |
| Of which: Doubtful | 11,866,069 | 4,315,068 | 6,596,846 |
| <i>Mortgage</i> | <i>10,301,950</i> | <i>4,315,068</i> | <i>5,102,412</i> |
| <i>Personal</i> | <i>1,564,119</i> | | <i>1,494,434</i> |
| Of which: Substandard | 1,055,719 | 237,061 | 344,764 |
| <i>Mortgage</i> | <i>988,099</i> | <i>237,061</i> | <i>313,053</i> |

| | | |
|-----------------|--------|--------|
| <i>Personal</i> | 67,620 | 31,711 |
|-----------------|--------|--------|

Memorandum items

| | | |
|------------------|-----------|--|
| Asset write-offs | 2,314,383 | |
|------------------|-----------|--|

31.12.2012

(Thousands of euro)

| | Gross amount | Excess over value of collateral | Specific allowance |
|--|---------------------|--|---------------------------|
| Credit recognised by "la Caixa" Group credit institutions | 26,992,217 | 5,265,330 | 5,765,320 |
| Of which: Doubtful | 11,934,984 | 3,864,728 | 4,667,777 |
| <i>Mortgage</i> | 10,485,155 | 3,864,728 | 3,983,904 |
| <i>Personal</i> | 1,449,829 | | 683,874 |
| Of which: Substandard | 3,144,178 | 448,105 | 1,097,543 |
| <i>Mortgage</i> | 2,850,293 | 448,105 | 1,027,812 |
| <i>Personal</i> | 293,885 | | 69,731 |

Memorandum items

| | | |
|------------------|-----------|--|
| Asset write-offs | 1,358,897 | |
|------------------|-----------|--|

The level of coverage for real estate developers and developments considered as 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.

The tables below show the breakdown of financing for real estate developers and developments, including developments carried out by non-developers, by collateral:

By type of collateral

(Thousands of euro)

| | Carrying amount | |
|------------------------------------|------------------------|-------------------|
| | 31.12.2013 | 31.12.2012 |
| Without mortgage collateral | 2,097,643 | 2,582,235 |
| With mortgage collateral | 17,882,375 | 24,409,982 |
| Completed buildings | 11,801,595 | 15,817,050 |
| <i>Homes</i> | 8,619,101 | 11,336,678 |
| <i>Other</i> | 3,182,494 | 4,480,372 |
| Buildings under construction | 2,099,159 | 2,970,829 |
| <i>Homes</i> | 1,813,707 | 2,516,654 |
| <i>Other</i> | 285,452 | 454,175 |
| Land | 3,981,621 | 5,622,103 |
| <i>Built land</i> | 1,406,468 | 2,723,217 |
| <i>Other</i> | 2,575,153 | 2,898,886 |
| Total | 19,980,018 | 26,992,217 |

The breakdown of home purchase loans at 31 December 2013 and 31 December 2012 is as follows:

(Thousands of euro)

| | Gross amount |
|--|---------------------|
|--|---------------------|

| | 31.12.2013 | 31.12.2012 |
|-----------------------------|-------------------|-------------------|
| Without mortgage collateral | 888,022 | 958,714 |
| <i>Of which: doubtful</i> | 8,340 | 18,351 |
| With mortgage collateral | 86,988,370 | 87,247,103 |
| <i>Of which: doubtful</i> | 3,976,087 | 2,570,266 |
| Total home loans | 87,876,392 | 88,205,817 |

Note: Includes financing for home purchases granted by investee Union de Créditos para la Financiación Inmobiliaria, EFC, SAU (Credifimo)

Home purchase loans with a mortgage guarantee at 31 December 2013 and 31 December 2012 by the loan-to-value (LTV) ratio, based on the latest available appraisal, are as follows:

| 31.12.2013 | | | | | | | |
|---------------------------|------------|-----------------|-----------------|------------------|------------|------------|--|
| (Thousands of euro) | | | | | | | |
| LTV ranges | | | | | | | |
| | LTV ≤ 40% | 40% < LTV ≤ 60% | 60% < LTV ≤ 80% | 80% < LTV ≤ 100% | LTV > 100% | TOTAL | |
| Gross amount | 15,602,098 | 27,877,915 | 34,750,409 | 7,707,240 | 1,050,708 | 86,988,370 | |
| <i>Of which: doubtful</i> | 236,688 | 789,137 | 1,939,162 | 740,362 | 270,738 | 3,976,087 | |

Note: LTV calculated based on appraisals available at the grant date. The ranges are updated for doubtful transactions in accordance with prevailing regulations.

The table below shows foreclosed assets by source and type of property at 31 December 2013 and 31 December 2012:

| (Thousands of euro) | 31.12.2013 | | 31.12.2012 | |
|---|---------------------|--------------------------|---------------------|--------------------------|
| | Net carrying amount | Of which: Allowances (*) | Net carrying amount | Of which: Allowances (*) |
| Property acquired from loans to real estate constructors and developers | 5,810,719 | (7,799,359) | 5,417,006 | (5,531,720) |
| Completed buildings | 2,954,440 | (2,504,364) | 2,807,137 | (1,481,733) |
| <i>Homes</i> | 2,313,653 | (1,962,700) | 2,276,188 | (1,144,580) |
| <i>Other</i> | 640,787 | (541,664) | 530,949 | (337,153) |
| Buildings under construction | 322,575 | (497,802) | 295,225 | (366,316) |
| <i>Homes</i> | 260,401 | (421,068) | 257,540 | (309,158) |
| <i>Other</i> | 62,174 | (76,734) | 37,685 | (57,158) |
| Land | 2,533,704 | (4,797,193) | 2,314,644 | (3,683,671) |
| <i>Built land</i> | 1,135,594 | (1,756,863) | 803,345 | (1,217,717) |
| <i>Other</i> | 1,398,110 | (3,040,330) | 1,511,299 | (2,465,954) |
| Property acquired in mortgage loans to homebuyers (1) | 1,528,804 | (1,314,616) | 1,458,175 | (946,471) |
| Other property foreclosures | 502,045 | (523,088) | 270,228 | (243,082) |
| Equity instruments, investments and financing granted to unconsolidated companies holding these assets | 11,605 | | 29,110 | |
| Total | 7,853,173 | (9,637,063) | 7,174,519 | (6,721,273) |

(*) Allowance corresponds to the difference between the value of the cancelled gross debt and the net carrying amount.

(1) Does not include foreclosure rights deriving from auctions in the amount of €52 million net (€11 million net at 31 December 2012).

NPL ratio

”la Caixa” Group’s non-performing loans (**NPL**) ratio at 31 December 2013 was 11.70%, i.e. below the sector average. It continued to measure up well vis-à-vis its peers on account of the credit risk management policies applied. These policies enabled ”la Caixa” Group to contain the rise in the NPL ratio in the fourth quarter of 2013 caused by the overall negative trend of the industry and the integration of Banca Cívica.

Refinancing policies

Through refinancing, the risks associated with those customers in arrears are redesigned to adapt to the customers’ financial situation and assist such customers in meeting their repayment obligations. On 2 October 2012, the Bank of Spain released Circular 6/2012, of 28 September which includes the treatment and classification of refinancing and debt restructuring operations. It considers as refinancing operations the refinanced and restructured operations as described in the Circular.

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 €75 million were charged to profit and loss for 2013.

In general, the facilities granted to customers to comply with commitments do not entail any substantial change to the original contracts in respect of accounting recognition. Therefore, the restructuring or renegotiation measures applied do not generally lead to derecognition of the original asset and recognition of a new transaction.

The risk management procedures and policies applied allow for detailed monitoring of credit transactions at all times. In this regard, during the monitoring process provisions for impairment are assigned to those transactions for which the terms may need to be changed due to evidence of impairment of the borrower’s solvency. Therefore, as these transactions are correctly classified and valued, no additional provisions emerge in relation to the impairment of refinanced loans.

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 measurement which constitute a common denominator and market standard for the measurement of this risk: sensitivity and value at risk (**Value at Risk** or **VaR**).

The sensitivity analysis provides information concerning the impact on the economic value of positions of a rise in interest rates, exchange rates, prices or volatility, but does not provide any assumptions as to the likelihood of such changes.

In order to standardise risk measurement across the entire portfolio, and to produce certain assumptions regarding the extent of changes in market risk factors, the Value at Risk methodology (VaR: statistical estimate of potential losses from historical data on price fluctuations) is employed using a one-day time horizon and a statistical confidence level of 99%. In other words, under normal market conditions, 99 times out of 100 actual daily losses sustained will be less than the losses estimated under the VaR method.

Fair value micro-hedges

”la Caixa” enters into fair value micro-hedges to cover the risks assumed by certain items. Micro-hedges are transactions in which the hedged item, in either asset or liability transactions, fully offsets the hedging instrument, normally a derivative.

”la Caixa” enters into these hedges on individual items, offsetting all the market risk factors of the item to be hedged.

The following provides a brief description of the nature of the risks hedged and of the instruments used, by classifying them according to the various management objectives:

- *Micro-hedges of public debt:*

The aim of these micro-hedges is to hedge against the fluctuations caused by market interest rate changes in the value of certain debt positions.

- *Micro-hedges of interbank deposits:*

The aim of these micro-hedges is to hedge against the fluctuations caused by market interest rate changes in the value of the deposits used to manage liquidity on the balance sheet, usually fixed-interest deposits with a maturity of less than one year. The hedging instruments generally used are interest rate swaps (**IRSs**) and call money swaps. There were no micro-hedges of this type at 31 December 2013.

- *Micro-hedges of institutional loans:*

The aim of these micro-hedges is to hedge against the fluctuations caused by market interest rate changes in the value of certain institutional loans bearing fixed interest, where a decision has been made to manage such risk. The hedging instruments generally used are futures and IRSs. There were no micro-hedges of this type at 31 December 2013.

Structural balance sheet interest rate risk

Interest rate risk is managed and controlled directly by ”la Caixa” Group’s management through CaixaBank’s Asset-Liability Committee (**ALCO**).

”la Caixa”’s management of this type of 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 this objective, 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, ”la Caixa” used fair value macro-hedges as a strategy to mitigate its exposure to interest rate risk.

In 2013, ”la Caixa” arranged a macro-hedge against cash flow interest rate risk. By entering into financial derivatives in the market, this macro-hedge hedges the risk of fixing interest rates on CaixaBank’s loans indexed to the 12-month Euribor rate.

The table below shows, using a static gap, the breakdown of maturities and interest rate resets at 31

December 2013 of sensitive items on "la Caixa" Group's balance sheet. The sensitivity to interest rates and the expected terms to maturity have been analysed for items without a contractual maturity date (such as demand accounts) on the basis of past experience of customer behaviour, including the possibility that the customer may withdraw the funds invested in this type of product. For other products, in order to define the assumptions for early termination, internal models are used which include behavioural variables of customers, products, seasonality and macro-economic variables to ascertain the future operations of customers.

Matrix of maturities and revaluations of the sensitive balance sheet at 31.12.2013

(Thousands of euro)

| | 1 year | 2 years | 3 years | 4 years | 5 years | > 5 years |
|--------------------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| ASSETS | | | | | | |
| Mortgage collateral | 94,767,730 | 12,383,386 | 1,594,523 | 1,421,192 | 1,263,165 | 8,847,610 |
| Other guarantees | 59,749,457 | 2,434,622 | 1,385,534 | 767,116 | 534,694 | 1,659,545 |
| Debt securities | 19,771,496 | 10,099,560 | 2,366,653 | 1,255,656 | 2,281,109 | 4,023,833 |
| Total assets | 174,288,683 | 24,917,568 | 5,346,710 | 3,443,964 | 4,078,968 | 14,530,988 |
| LIABILITIES | | | | | | |
| Customer funds | 104,502,129 | 20,504,757 | 12,701,580 | 1,749,878 | 1,978,422 | 8,731,193 |
| Issues | 20,556,421 | 9,223,568 | 6,815,825 | 6,777,648 | 4,901,688 | 13,479,284 |
| Money market, net | 13,287,141 | 260,105 | 521,211 | 4,156 | 0 | 611,875 |
| Total liabilities | 138,345,691 | 29,988,430 | 20,038,616 | 8,531,682 | 6,880,110 | 22,822,352 |
| Assets less liabilities | 35,942,992 | (5,070,862) | (14,691,906) | (5,087,718) | (2,801,142) | (8,291,364) |
| Hedges | (67,917,198) | 41,565,959 | 5,476,253 | 4,532,013 | 5,386,672 | 10,956,301 |
| Total difference | (31,974,206) | 36,495,097 | (9,215,653) | (555,705) | 2,585,530 | 2,664,937 |

The variability 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.

The sensitivity of equity to interest rates measures the effect of interest rate fluctuations on economic value. The sensitivities of net interest income and equity are measurements that complement each other and provide an overview of structural risk, which focuses more on the short and medium term in the case of net interest income, and on the medium and long term in the case of equity.

As a supplement to these measurements of sensitivity, VaR measures are applied in accordance with treasury-specific methodology.

In accordance with current regulations, "la Caixa" 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 is substantially below levels considered significant (outliers), in keeping with regulations the Issuer continues to take a series of steps towards more intense monitoring and management of balance sheet interest rate risk.

Market risk of treasury positions

On a daily basis, the Corporate Directorate of Global Risk Management monitors the contracts traded, calculates how changes in the market will affect the positions held (daily marked-to-market result), quantifies the market risk assumed, monitors compliance with the thresholds, and analyses the ratio of actual returns to the 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).

Two methodologies are used to obtain this measurement:

- The parametric VaR technique, based on the statistical treatment of parameters such as volatility and matching fluctuations in the prices and interest and exchange rates of the assets comprising the portfolio. In accordance with the recommendations of the Basel Committee on Banking Supervision, it is applied using two time horizons: a 75-day data window, giving more weight to recent observations; and a one-year data window, giving equal weight to all observations.
- The historical VaR technique, which calculates the impact on the value of the current portfolio of historical changes in risk factors. Daily changes over the last year are taken into account and, with a confidence level of 99%, VaR is taken to be the third worst impact on the value of the portfolio.

Since January 2012, VaR measures are complemented by two risk metrics related to the new regulatory requirements: Stressed VaR and Incremental Default and Migration Risk. Stressed VaR indicates the maximum loss on adverse movements in market prices based on a stressed historical period of one year, with a 99% confidence level and a daily time horizon. Incremental Default and Migration Risk reflects 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 and 2012 were €1.1 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 euro) | 31.12.2013 | 31.12.2012 |
|--|------------------|------------------|
| Total foreign currency assets | 6,435,741 | 6,772,510 |
| Financial assets held for trading | 509,344 | 709,196 |
| Loans and receivables | 3,897,851 | 3,192,917 |
| <i>Loans and advances to credit institutions</i> | <i>1,244,482</i> | <i>274,189</i> |
| <i>Customer loans and advances</i> | <i>2,653,369</i> | <i>2,918,728</i> |
| Investments (1) | 1,962,334 | 2,807,697 |

| (Thousands of euro) | 31.12.2013 | 31.12.2012 |
|---|------------------|------------------|
| Total foreign currency assets | 6,435,741 | 6,772,510 |
| Other assets | 66,212 | 62,700 |
| Total foreign currency liabilities | 8,113,103 | 7,121,532 |
| Financial liabilities at amortised cost | 7,582,605 | 6,379,582 |
| <i>Deposits from central banks</i> | 3,962,331 | 4,362,523 |
| <i>Deposits from credit institutions</i> | 191,224 | 159,002 |
| <i>Customer deposits</i> | 2,755,986 | 1,207,557 |
| <i>Marketable debt securities</i> | 544,605 | 607,594 |
| <i>Other</i> | 128,459 | 42,906 |
| Other liabilities | 530,498 | 741,950 |

(1) At 31 December 2013, the CaixaBank Group had an exposure of €1,161 million in Hong Kong dollars on its ownership interest in The Bank of East Asia, Ltd, and of €1,228 million in Mexican pesos on its ownership interest in GF Inbursa, at market value. At 31 December 2012, these exposures were €1,058 million and €3,042 million, respectively.

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

| (Percentage) | 31.12.2013 | 31.12.2012 |
|--|------------|------------|
| Loans and receivables | 100 | 100 |
| US dollar | 71 | 71 |
| Pound sterling | 10 | 12 |
| Mexican peso | 3 | |
| Swiss franc | 3 | 1 |
| Japanese yen | 7 | 3 |
| Canadian dollar | 2 | 3 |
| Other | 4 | 10 |
| Investments | 100 | 100 |
| Mexican peso | 37 | 57 |
| Hong Kong dollar | 63 | 43 |
| Financial liabilities at amortised cost | 100 | 100 |
| US dollar | 85 | 82 |
| Pound sterling | 13 | 16 |
| Other | 2 | 2 |

Information on sovereign risk exposure

”la Caixa” 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 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)

(Thousands of euro)

| | | 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 |
| Belgium | CaixaBank | 10,493 | 0 | 0 | 0 | 0 |
| | Insurance group | 0 | 0 | 19,394 | 0 | 0 |
| Greece | CaixaBank | 0 | 0 | 0 | 0 | 0 |
| | Insurance group | 0 | 0 | 0 | 0 | 0 |
| Ireland | CaixaBank | 0 | 0 | 0 | 0 | 0 |
| | Insurance group | 0 | 0 | 1,689 | 0 | 0 |
| Italy | CaixaBank | 100,207 | -78,206 | 0 | 0 | 0 |
| | Insurance group | 0 | 0 | 865,533 | 0 | 0 |
| Portugal | CaixaBank | 0 | 0 | 0 | 0 | 0 |
| | Insurance group | 0 | 0 | 0 | 0 | 0 |
| Rest | CaixaBank | 204,216 | 0 | 422,379 | 38,962 | 0 |
| | Insurance group | 0 | 0 | 93,346 | 0 | 0 |
| Total countries | CaixaBank | 3,525,985 | -1,621,418 | 16,334,128 | 10,204,682 | 11,198,028 |
| | Insurance group | 0 | 0 | 23,763,569 | 0 | 0 |
| | "la Caixa" Group | 3,525,985 | -1,621,418 | 40,097,697 | 10,204,682 | 11,198,028 |

The figures for Spain are shown below:

31.12.2013 (CaixaBank)

(Thousands of euro)

| Country | Residual maturity | Held for trading - Debt securities (Note 11) | Held for trading - Short positions (Note 11) | Available-for-sale financial assets (Note 12) | Loans and receivables (Note 13) | Held-to-maturity investments (Note 14) |
|----------------|-----------------------------|---|---|--|--|---|
| Spain | Less than 3 months | 15,147 | (437,155) | 824,228 | 1,259,525 | 1,000,155 |
| | Between 3 months and 1 year | 43,537 | (237,586) | 1,099,398 | 1,798,166 | 4,117,722 |
| | Between 1 and 2 years | 406,597 | (137,514) | 6,462,828 | 508,938 | 4,296,813 |
| | Between 2 and 3 years | 151,477 | (35,709) | 1,482,541 | 746,823 | 1,131,805 |
| | Between 3 and 5 years | 2,035,099 | (260,267) | 1,662,554 | 1,893,389 | 514,460 |
| | Between 5 and 10 years | 253,943 | (201,322) | 4,011,827 | 2,166,700 | 137,073 |
| | Over 10 years | 305,269 | (233,659) | 368,373 | 1,792,179 | |
| | Total | 3,211,069 | (1,543,212) | 15,911,749 | 10,165,720 | 11,198,028 |

Liquidity risk

”la Caixa” 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 the 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.

It is the responsibility of the Directorate-General of Asset and Liability Management (**ALM**) and Liquidity, which reports to the Directorate-General of Risks of CaixaBank to analyse ”la Caixa” Group’s liquidity risk. The analysis is performed under both normal market conditions and extraordinary situations, in which various specific, systemic and combined crisis scenarios are considered, involving different severity assumptions in terms of reduced liquidity.

On the basis of the analyses, a Contingency Plan has been drawn up and approved by the Board of Directors. The Contingency Plan provides an action plan for each of the crisis scenarios (systemic, specific and combined) detailing the commercial, institutional and disclosure measures to be taken to deal with each such scenario, including the possibility of using a number of stand-by reserves or extraordinary sources of finance.

ALCO monitors medium-term liquidity on a monthly basis through the analysis of time lags forecast in the balance sheet structure, and verifies compliance with the thresholds and operating lines of action approved by the Board of Directors. ALCO makes proposals to the Board of Directors on the optimum issues or finance and investment programmes to suit market conditions and the instruments and terms needed to assist business growth. ALCO periodically monitors a series of indicators and warnings to detect signs of liquidity stress in order to adopt the corrective measures laid down in the Liquidity Risk Contingency Plan. A monthly analysis is also performed of the potential liquidity levels under each of the hypothetical crisis scenarios.

Short-term liquidity is managed by the Executive Directorate of Treasury and Capital Markets, which ensures that liquid assets are permanently available on the balance sheet, i.e. it minimises the structural liquidity risk inherent in the banking business. To assist with this management process, a daily breakdown of liquidity by due dates is made available by drawing up projections of future flows, providing information on the time structure of liquid assets at all times. This daily monitoring task is performed on the basis of the contractual maturity dates of the transactions.

The detail, by contractual term to maturity of the balances of certain items on the CaixaBank balance sheets at 31 December 2013 (excluding in some cases valuation adjustments) in a scenario of normal market conditions, is as follows:

31.12.2013

(Millions of euro)

| | Demand | < 1 month | 1-3 months | 3-12 months | 1-5 years | > 5 years | Total |
|------------------------------------|--------|--------------|---------------|----------------|-----------|--------------|--------|
| Assets | | | | | | | |
| Cash and deposits at central banks | 6,967 | | | | | | 6,967 |
| Held for trading- Debt | | | | | | | |
| securities | | 10 | 25 | 289 | 2,689 | 607 | 3,620 |
| Trading derivatives | | 572 | 92 | 290 | 2,408 | 5,116 | 8,478 |
| Available-for-sale | | | | | | | |
| debt securities | | 158 | 1,570 | 2,194 | 11,418 | 4,582 | 19,922 |

| | | | | | | | |
|---|-----------------|----------------|---------------|-----------------|---------------|----------------|----------------|
| Loans and receivables: | 532 | 26,843 | 7,711 | 29,916 | 58,842 | 116,777 | 240,621 |
| Loans and advances to credit institutions | 95 | 2,686 | 803 | 2,956 | 992 | 398 | 7,930 |
| Customer loans and advances | 437 | 24,157 | 6,489 | 26,960 | 55,082 | 116,269 | 229,394 |
| Debt securities | | | 419 | | 2,768 | 110 | 3,297 |
| Held-to-maturity investments | | | 1,000 | 7,685 | 9,009 | 137 | 17,831 |
| Hedging derivatives | | 24 | 19 | 276 | 1,624 | 2,648 | 4,591 |
| Total assets | 7,499 | 27,607 | 10,417 | 40,650 | 85,990 | 129,867 | 302,030 |
| Liabilities | | | | | | | |
| Trading derivatives | | 504 | 84 | 234 | 1,523 | 6,089 | 8,434 |
| Financial liabilities at amortised cost: | 87,302 | 36,209 | 11,313 | 51,632 | 77,476 | 15,853 | 279,785 |
| Deposits from central banks | | 3,490 | 145 | 725 | 15,480 | | 19,840 |
| Deposits from credit institutions | 8,793 | 6,374 | 3,075 | 913 | 1,040 | 705 | 20,900 |
| Customer deposits | 77,675 | 25,028 | 7,321 | 43,376 | 36,389 | 2,450 | 192,239 |
| Marketable debt securities | | 797 | 78 | 6,132 | 24,356 | 8,115 | 39,478 |
| Subordinated liabilities | | | | | 211 | 4,583 | 4,794 |
| Other financial liabilities | 834 | 520 | 694 | 486 | | | 2,534 |
| Hedging derivatives | | 1 | 5 | 44 | 182 | 1,255 | 1,487 |
| Total liabilities | 87,302 | 36,714 | 11,402 | 51,910 | 79,181 | 23,197 | 289,706 |
| Assets less liabilities | (79,803) | (9,107) | (985) | (11,260) | 6,809 | 106,670 | 12,324 |

It should be borne in mind that the calculation of the gap in the total balance included in the previous table projects transaction maturities according to their contractual and residual maturity, irrespective of any assumption that the assets and/or liabilities will be renewed. As a credit entity with a high degree of retail financing, assets have a longer average maturity than liabilities, which produces a negative gap in the short term.

The tables also indicate a high degree of stability in customers' demand accounts. Meanwhile, given the current liquidity climate, the analysis must take into account the influence exerted on this calculation by maturities of repurchase agreements and of deposits obtained through guarantees pledged on the loan with the European Central Bank. In conclusion, a large portion of the liabilities is stable and other liabilities are very likely to be renewed, while additional guarantees are available at the European Central Bank. There is also the capacity to generate new deposits through asset securitisation and the issuance of mortgage- and/or public sector-covered bonds. In addition, CaixaBank has access to liquid assets allowing it immediately to obtain liquidity. Also worth noting is the fact that the calculation does not consider growth assumptions, and consequently disregards internal strategies for raising net liquidity, which are especially important in the retail market.

"la Caixa" Group holds €6,978 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 collateralised 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 the balance that can be drawn on the credit facility with the ECB amounted to €0,762 million and €3,092 million at 31 December 2013 and 31 December 2012, respectively.

| Liquid assets (1) | | |
|--|-------------------|-------------------|
| (Thousands of euro) | 31.12.2013 | 31.12.2012 |
| Cash and central banks (*) | 6,967,796 | 7,854,419 |
| Balance drawable on the facility (**) | 27,983,572 | 35,630,223 |
| Eligible assets not included in the facility | 33,375,619 | 16,162,975 |
| Other marketable assets not eligible by the central bank (***) | 18,650,539 | 16,752,482 |
| Total liquid assets | 86,977,525 | 76,400,099 |

(*) Includes amounts deposited in the marginal deposit facility (1-day deposit with the ECB)

(**) Does not include €3,636 million of assets to be contributed to the ECB. These assets were contributed in January 2014.

(***) Fixed-income with an A or higher rating, equities and investments in mutual funds.

(1) Bank of Spain liquidity criteria.

The 2011-2014 Strategic Plan approved by the Board of Directors states that the liquidity managed by CaixaBank, "la Caixa" 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, the Group's wide variety of financing programmes covers a number of maturity periods. This allows "la Caixa" to maintain adequate levels of liquidity at all times.

The Promissory Notes Program, with a principal amount of €10,000 million, provides access to short-term funds.

In addition, the securities note for the base prospectus for non-equity securities (formerly the Fixed-Income Securities Program), which ensures the availability of long-term funding, was renewed. The note amounts to €25,000 million, of which €23,946 million was available at 31 December 2013.

Additionally, in 2013 a "Euro Medium Term Note" program for €10,000 million for the issue of fixed-income securities was registered.

As another prudent measure to prepare for 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 31 December 2013, compared to €8,284 million at 31 December 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.

At 31 December 2013, the Group had financing potential through the issue of mortgage- and public-sector covered bonds. The financing capacity at 31 December 2013 and 31 December 2012, by type of instrument, is as follows:

Financing capacity

(Thousands of euro)

| | 31.12.2013 | 31.12.2012 |
|--|-------------------|-------------------|
| Mortgage-covered bond issuance capacity | 885,280 | 3,767,291 |
| Public-sector covered bond issuance capacity | 1,217,600 | 1,229,146 |

The Group's financing policies take into account a balanced distribution of issue maturities, preventing concentrations and diversifying financing instruments. Its reliance on wholesale funding is limited, while the maturities of institutional debt scheduled for the coming years are as follows:

Wholesale financing maturities (net of treasury shares)

(Thousands of euro)

| | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | > 5 years | Total |
|---|--------------------------|-------------------|------------------------|-------------------|---------------------|-------------------|
| Deposits from central banks | 3,490,187 | 145,022 | 725,111 | 15,480,000 | | 19,840,320 |
| Deposits from credit institutions | 14,893,296 | 3,075,000 | 913,000 | 1,040,000 | 705,000 | 20,626,296 |
| Promissory notes | 7 | 44,250 | 139,210 | | | 183,467 |
| Mortgage covered bonds | | 520,000 | 6,729,441 | 18,576,340 | 10,178,447 | 36,004,228 |
| Public-sector covered bonds | | | | 50,000 | | 50,000 |
| Senior debt | | 69,000 | 1,032,150 | 3,667,800 | 130,000 | 4,898,950 |
| Subordinated debt and preference shares | | | | 205,469 | 937,756 | 1,143,225 |
| Exchangeable bonds | | | | 1,344,300 | | 1,344,300 |
| Total wholesale issue maturities | 18,383,490 | 3,853,272 | 9,538,912 | 40,363,909 | 11,951,203 | 84,090,786 |

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, one 5Y mortgage-covered bonds issue for €2,000 million, one Tier 2 subordinated debt issue for €750 million (10Y issue, with optional repurchase at five years), one issue of 3Y bonds convertible into Repsol, SA sales, for €94.3 million, one issue of 5Y public sector covered bonds for €1,350 million, and six issues of structured bonds for a combined amount of €1.6 million, carrying various maturities. In addition, "la Caixa" held an issue of €750 million of 4-year bonds convertible into CaixaBank shares in 2013.

Financial instruments which include accelerated repayment terms

At 31 December 2013, CaixaBank had instruments containing terms which 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 this figure €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 ratings could trigger accelerated repayment. Details of these transactions by nature of the agreement, are as follows:

Instruments with accelerated repayment terms

(Thousands of euro)

| | 31.12.2013 |
|---------------------------------------|-------------------|
| Registered mortgage-covered bonds (1) | 261,000 |
| Loans received (2) | 321,292 |

(1) The bonds are recognised under "Customer deposits – Time deposits"

(2) The loans are included in "Loans and advances to credit institutions"

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 the posting of collateral

At 31 December 2013, CaixaBank had instruments that require the posting of collateral or receipt of margins in addition to initial margins in its derivatives and debt repo transactions, as is market practice.

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 was 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.

The overall objective is to improve the quality of business management based on information concerning operational risks, aiding decision-making to ensure the organisation's long-term continuity and improving processes and the quality of customer service, while complying with the established regulatory framework and optimising the use of capital.

In 2013, Banco de Valencia was included within the scope of corporate operational risk management (capital calculation, risk assessment, loss management). Meanwhile, a project is being drawn up to move from the current standard approach to operational risk management to more advanced approaches with a dual objective of implementing best practices in operational risk management and, at the same time, calculating regulatory capital requirements with risk-sensitive approaches.

Additionally, 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 the application of Bank of Spain Capital Adequacy Circular 03/2008 and conforms with the "Operational Risk Management Framework," which defines the objectives, organisational 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 by drawing up and monitoring a Technical Scorecard to keep the synthetic vision of the technical performance of the products up to date.

This scorecard is determined by and defines the following policies:

- Underwriting: risk acceptance on the basis of main actuarial variables (age, insured sum and duration of the guarantee). For life insurance policies, the accumulation of risk for each individual is assessed and medical examinations are required. A financial questionnaire must also be completed in accordance with the risk accumulation.
- Rate-setting: following the regulations issued by the Spanish Directorate General of Insurance and Pension Funds (DGIPF), rates in the life insurance business are established using the mortality tables permitted by prevailing legislation. Interest rates are also applied in accordance with prevailing legislation.

- Definition and monitoring of the Reinsurance policy: to diversify risk appropriately among different reinsurance companies with sufficient capacity to absorb unexpected losses, thereby stabilising the number of claims.

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, stabilise 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.

”la Caixa” Group’s reinsurance program lists the procedures that must be followed to implement the established reinsurance policy. These include:

- Disclosure of the types of reinsurance to be contracted, the terms and conditions of the policy, and aggregate exposure by type of business.
- Definition of the amount and type of insurance to be automatically covered by the reinsurance contract, e.g. mandatory reinsurance contracts.
- Procedures for acquiring facultative reinsurance.

In this respect, ”la Caixa” Group has established limits on the net risk retained per business line, by risk or event (or a combination of both). These limits are set in accordance with the risk profile and reinsurance cost.

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, as well as any failure to comply with the instructions provided or assumption of risks which surpass the Entity’s capital levels or reinsurance coverage.

Handling claims and ensuring the adequacy of the provisions are basic principles of insurance management. The definition and follow-up of the aforementioned policies enables them to be changed, if required, to adapt risks to the group’s global strategy.

RISK FACTORS RELATING TO THE NOTES

Market risks

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

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

The credit risk associated with the Notes may be affected by a deterioration in the financial position of the Issuer

Should the Issuer's financial position deteriorate, it is likely that the credit risk associated with the Notes would increase, given that there would be an increased risk that the Issuer could not fulfil its obligations under the Terms and Conditions. The Issuer's financial position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk could result in the market pricing the Notes with a higher risk premium, which could adversely affect the value of the Notes. Another aspect of the credit risk is that a deterioration in the financial position of the Issuer could result in a lower credit worthiness, which could affect the Issuer's ability to refinance the Notes and other existing debt, which could in turn adversely affect the Issuer's operations, results and financial position.

An active secondary market in respect of the Notes may never be established

Pursuant to the Terms and Conditions, the Issuer shall apply for registration of the Notes on Iberclear as managing entity of the Spanish Central Registry and for admission to listing and trading on AIAF. However, there can be no assurance that the Notes will be approved for admission to trading. A failure to obtain such listing may have a negative impact on the market value of the Notes.

Secondary market liquidity and price fluctuation

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

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

The Issuer will pay principal and interest on the Notes in euros. 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 Euros. 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). 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 Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

The imposition of exchange controls relating to any Notes could result in an investor not receiving payments on those Notes

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

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

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

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

General risks applicable to the Notes

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

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

Notes may also be subject to bail-in pursuant to the EU Recovery and Resolution Directive

On 6 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 stated aim of the RRD is to provide authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. RRD harmonises the rules for bank resolution in all EU countries and establishes common instruments to be used in case of a bank crisis. National resolution authorities will be in charge of implementing resolution plans for use in the event of a bank crisis, as well as resolution plans which comply with some common rules, in particular imposing losses and a stakeholders' order of priority according to their respective seniority.

The powers provided to resolution authorities in the RRD include write down powers to ensure relevant capital instruments (including Tier 2 capital instruments) fully absorb losses at the point of non-viability of the issuing institution, as well as a bail-in tool comprising a more general power for resolution authorities to write down the claims of unsecured creditors of a failing institution and to convert unsecured debt claims to equity.

As discussed above, the RRD contemplates that resolution authorities will 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 Notes, subject to certain parameters as to which liabilities could be

eligible for the bail-in tool). According to the RRD, Member States shall apply provisions adopted in order to comply with the bail-in tool from 1 January 2016 at the latest.

Under the RRD, credit institutions will at all times have to meet 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 write down or convert liabilities into equity under the bail-in tool.

Since the RRD is yet to be published in the Official Journal of the European Union and that there are several elements that will depend on the relevant resolution authorities, it is not yet possible to assess the full impact of the RRD, including the extent to which the application of the bail in tool will affect instruments such as the Notes.

Syndicate of Noteholders' meetings

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

Redemption for tax reasons

The Issuer may redeem the Notes for the tax reasons specified in Condition 8.2 of the Terms and Conditions, and this is likely to limit their market value. During any period where the Issuer may elect to redeem the Notes for tax reasons, the market value of those Notes is generally unlikely rise substantially above the price at which they can be redeemed. However, Noteholders may elect not to redeem the Notes pursuant to Condition 8.2 of the Terms & Conditions.

Clearing and settlement

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

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

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

A summary of clearance and settlement procedures applicable to book-entry notes in Spain is contained under section 11.

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

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

adverse impact on the value of any Notes affected by it.

Legal investment considerations may restrict certain investments

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

Other risks

Risks Relating to the Insolvency Law

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

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

Noteholders 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

"la Caixa" may be subject to a procedure of early intervention, restructuring or resolution under Law 9/2012 if "la Caixa" or its group of consolidated credit entities were 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 of the counterparties of "la Caixa" to exercise any rights they may otherwise have in respect thereof. In addition, any provision providing for such rights shall 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 Notes 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 11 (*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 Notes as if it were part of the general law of insolvency of the United Kingdom.

Any enforcement by a Noteholder of its rights under the Notes 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 Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes, 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, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 13/1985. 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 plain wording of section 4 of article 44 of Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, income derived from securities originally registered with Iberclear will be paid by the Issuer net of Spanish withholding tax (currently, at a rate of 21%) if the recipient of the payment is an individual resident in Spain for tax purposes and subject to Spanish Individual Income Tax. The Issuer will not pay any additional amounts in respect of any such withholding tax.

On the other hand, interest payments made by the Issuer in respect of the Notes for the benefit of non-Spanish tax resident investors, or for the benefit of Spanish Corporate Income Tax taxpayers, will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a **Payment Statement**), in accordance with section 4 of article 44 of Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, with the following information:

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

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, currently at the rate of 21%.

Should this occur, affected beneficial owners would receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the 10th calendar day of the month immediately following the

relevant payment date. In addition, beneficial owners may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

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

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

U.S. Foreign Account Tax Compliance Withholding

Financial institutions may be required to withhold at a rate of up to 30% on all, or a portion of, payments made in respect of any Notes pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (commonly referred to as **FATCA**), any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. If the Issuer (or any successor of the Issuer) is deemed as a foreign financial institution (**FFI**) for the purposes of FATCA, the Issuer will become obliged to provide certain information on its account holders pursuant to such agreement, imposition, regulation, official interpretation or legislation.

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

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

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

Investors should consult their own advisors about the application of FATCA, in particular if they may be classified as financial institutions under the FATCA rules.

RISK FACTORS RELATING TO CRITERIA CAIXAHOLDING

Risk factors specific to Criteria CaixaHolding and its industry

Risks arising from the purchase and sale of equity investments

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

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

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

Market risk could significantly affect the value of Criteria CaixaHolding

An important percentage of the market value of Criteria CaixaHolding's assets (gross asset value) relates to investments in listed securities (70% as of 31 March 2013). Criteria CaixaHolding is therefore exposed to the market risk generally associated with listed companies. The listed securities in which Criteria CaixaHolding invests are exposed to fluctuations in price and trading volumes due to factors beyond Criteria CaixaHolding's control, so that the concurrence of some of these factors could significantly affect Criteria CaixaHolding and its business performance, adversely affecting, among other things, the price and liquidity of Criteria CaixaHolding's share, the results of the listed companies in which Criteria CaixaHolding invests and the return on the investments in these companies.

Strategic risk

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

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

The fact that Criteria CaixaHolding has an equity interest or board representation in certain investees may prevent it from seizing investment opportunities that may arise in companies in the same industry or related parties. The impediments to investment may be motivated, among other factors, by the application of competition law or by obstacles arising from relations with current or potential partners that limit investment in other entities.

Criteria CaixaHolding's strategy is based on the exercise of significant influence over investees through board representation and collaboration in strategy and project development and implementation. Most of the value of Criteria CaixaHolding's portfolio consists of interests in listed companies, so the acquisition of significant shareholdings in these companies by third parties or the

issuance of ordinary shares by these companies (diluting Criteria CaixaHolding's interest) could result in a loss or decrease of Criteria CaixaHolding's ability to exercise such influence or the need to make further investments to maintain said ability.

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

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

Investments in geographical areas subject to greater risks

Criteria CaixaHolding's investment strategy may include the acquisition of interests in companies operating in markets, such as Asia, America or Central and Eastern Europe which are subject to different – and possibly greater – risks than those which are typical of Criteria CaixaHolding local market. Such risks include country risk, monetary and tax risk, regulatory risk, volatility/illiquidity, corporate information integrity and legal environment.

The existence of these risks could adversely affect the chances that the investments made in these markets will be successful.

Criteria CaixaHolding is exposed to currency risk through its investments.

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

Concentration risk

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

Liquidity risk

The lack of liquidity of some investments may adversely affect Criteria CaixaHolding.

Criteria CaixaHolding's investment strategy may lead it to hold significant interests in listed or unlisted companies whose liquidity may be lower than that of companies in which it holds a smaller stake, independently of the chosen divestment procedure.

The sale of a significant interest in a listed company to a single acquirer could require that the acquirer makes a bid for the entire share capital of the company concerned. Such acquirer may also, depending on the industry and the transaction, be required to obtain (industry or competition-related) administrative consents or authorisations. These factors could increase the financial indebtedness for the acquirer in raising sufficient funds, and the time required to complete the transaction, or even prevent the sale (if the necessary authorisations are not obtained), which could limit the number of potential acquirers and adversely affect the liquidity of the investments currently held by Criteria CaixaHolding.

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

Some of Criteria CaixaHolding's current or future investments, especially investments in unlisted entities, are and could be subject to significant exit barriers. Criteria CaixaHolding could be forced to

hold its interest in these investees for a substantial period before being able to sell them, or only be able to sell them to non-shareholders under the provisions of the articles of association or shareholder agreements, for instance.

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

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

Criteria CaixaHolding may invest in financial derivatives

Criteria CaixaHolding has traded in financial derivatives in the past and may continue to trade in exchange-traded and over-the-counter (OTC) derivatives for hedging, strategic complementary or divestment purposes, or as (speculative) trading strategies. Unless conceived as hedging instruments, these instruments entail risks additional to those of cash investments and are especially sensitive to changes in the price of the underlying (normally, listed securities).

Risks associated with the activity of the investees

Risks arising from the business sectors of investees

Criteria CaixaHolding is indirectly subject to the risks associated with the business sectors in which its investees operate. The degree of exposure will depend on the relative weight of the investments in the Criteria CaixaHolding gross asset value (GAV). These risks include the risks arising from Criteria CaixaHolding investments in companies that operate in highly regulated industries, as well as the operational risks faced by investees.

Risks arising from the geographical markets in which the investees operate

Criteria CaixaHolding is indirectly subject to the risks of the markets in which its investees operate or invest, the degree of exposure depending to a greater or lesser extent on the weight of the investments in Criteria CaixaHolding GAV and results.

Some of the companies in the investment portfolio as at the date of this Prospectus have significant operations and assets in Latin America and are therefore exposed to the risks specific to this region.

Risks arising from the levels of debt incurred by investees

Criteria CaixaHolding is indirectly exposed to the risks arising from the level of debt existing in its investees, the degree of exposure depending to a greater or lesser extent on the weight of the investments in its GAV.

Any failure by these entities to perform their obligations could adversely affect their business, thus harming the Company's results and profitability.

Similarly, high levels of borrowing or significant fluctuations in interest rates would increase these companies' finance costs, adversely affecting their results and their ability to pay dividends, thus harming Criteria CaixaHolding's results.

Lastly, high levels of debt in investees could adversely affect returns on the investment or even prevent recovery of the investment in extreme cases of default or bankruptcy.

The investees may be involved in corporate transactions, which may adversely affect Criteria CaixaHolding

Criteria CaixaHolding may be indirectly involved in corporate transactions such as mergers, acquisitions or splits affecting some of its investees. The success of these transactions will depend upon various factors, including market conditions, competition, investor approvals, regulatory approvals, regulatory restrictions or changes in business lines, among others. There is no guarantee that the corporate transactions affecting Criteria CaixaHolding investees will be completed successfully nor that they will be favourable to the investees, in which case Criteria CaixaHolding could be adversely affected.

Criteria CaixaHolding is exposed to currency risk through its portfolio of investee companies

Criteria CaixaHolding is indirectly exposed to currency risk, a risk to which most of Criteria CaixaHolding investees are subject due to their transactions, investments or assets denominated in currencies other than the euro, resulting in an exposure to exchange rate fluctuations. Decreases in market values or impacts on the investees' results due to exchange rate fluctuations could affect the investees' ability to pay dividends, thus adversely affecting the results and financial condition of Criteria CaixaHolding.

Risks arising from the existence of litigation in the investees

Criteria CaixaHolding is exposed to the risks its investees may incur as a result of the existence of legal proceedings arising from the conduct of their business and any corporate transactions in which they may be involved.

The outcome of these legal proceedings may entail substantial costs for the investees, adversely affecting their results, their ability to pay dividends and, consequently, their value.

3. DOCUMENTS INCORPORATED BY REFERENCE

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

- "la Caixa"'s consolidated audited annual accounts as of and for each of the years ended 31 December 2013 and 2012 (prepared in accordance with International Financial Reporting Standards, as adopted by the EU (**IFRS–EU**) and taking into account Circular 4/2004 of the Bank of Spain, of 22 December, as amended) filed with the CNMV (and available on the CNMV website: www.cnmv.es).
- "la Caixa"'s audited non-consolidated financial statements as of year ended 31 December 2013, prepared by its directors in accordance with the accounting principles and measurement bases contained in Bank of Spain Circular 4/2004, of 22 December and related amendments filed with the CNMV (and available on the CNMV website: www.cnmv.es).
- "la Caixa"'s consolidated unaudited interim financial information as of 31 March 2014 filed and published with the CNMV as a price-sensitive information (*hecho relevante*) notice on 24 April 2014 with registry number 204018 (and available on the CNMV website: www.cnmv.es).
- CaixaBank's consolidated audited annual accounts as of year ended 31 December 2013 (prepared in accordance IFRS–EU and taking into account Circular 4/2004 of the Bank of Spain, of 22 December, as amended) filed with the CNMV (and available on the CNMV website: www.cnmv.es).
- Criteria CaixaHolding's consolidated audited annual accounts as of and for each of the years ended 31 December 2013 and 2012 (available at the CNMV's central registry in Madrid, at Edison Street, 4, 28006, Madrid and Barcelona, at Passeig de Gràcia, 19, 08007, Barcelona and on Criteria CaixaHolding's website: www.criteria.com) and all price-sensitive information notices (*hechos relevantes*) of "la Caixa" Group affecting Criteria CaixaHolding published and filed with the CNMV since 31 December 2013 including: the price-sensitive information (*hechos relevantes*) notice:
 - i. of 24 April 2014 (registry number 204018) regarding "la Caixa"'s consolidated unaudited interim financial information as of 31 March 2014;
 - ii. of 16 April 2014 (registry number 203715) regarding "la Caixa" Board of Director's proposals to the General Ordinary Assembly that will decide upon relevant aspects of the Reorganisation;
 - iii. of 16 April 2014 (registry number 203714) regarding the calling of "la Caixa" General Ordinary Assembly;
 - iv. of 10 April 2014 (registry number 203312) informing of the "la Caixa" Board of Director's proposals to the General Ordinary Assembly;
 - v. of 10 April 2014 (registry number 203311) informing of the calling of the General Ordinary Assembly that will decide upon relevant aspects of the Reorganisation;
 - vi. of 28 February 2014 (registry number 201263) regarding "la Caixa"'s key financial information of the financial year 2013;

the price-sensitive information notices are available on the CNMV website (www.cnmv.es).

- Registration Document of "la Caixa" drawn up pursuant to Annex XI of Commission Regulation (EC) No. 809/2004 of 29 April 2004, approved and registered with the CNMV on 1 April 2014 (and available on the CNMV website www.cnmv.es).

An English translation of the documents incorporated by reference is available for inspection during normal business hours at the registered offices of the Issuer.

4. DESCRIPTION OF THE ISSUER

History and development of the Issuer

Caja de Ahorros y Pensiones de Barcelona ("la Caixa" or the **Issuer**) and its subsidiaries comprise "la Caixa" Group ("**la Caixa**" **Group** or the **Group**). The Issuer: has its registered office in the city of Barcelona, at Avenida Diagonal, 621-629, 08028 Barcelona (contact telephone number 0034 93 404 6000), with Tax Identification Number (**N.I.F.**) G-588999908 and registered under number 3003 with the *Registro Mercantil de Barcelona* (Barcelona division of corporations), at volume 20,397, folio 1, sheet B-5,614, entry 1; bears coding number 2401 in the Special Register of Savings Banks kept by the Bank of Spain (*Banco de España* which is Spain's central bank); and is on record under number 1 in the Register of Catalonia Savings Banks kept by the Financial Policy Unit of the Department of Economy and Finance of the Generalitat de Catalunya (the devolved regional government of Catalonia).

"la Caixa" was incorporated on 27 July 1990 through the merger of Caja de Ahorros y Monte de Piedad de Barcelona, founded in 1844, and Caja de Pensiones para la Vejez y de Ahorros de Cataluña y Baleares, founded in 1904. The Issuer commenced operations at the time of its incorporation, carrying on the businesses of the two merged entities. The Issuer is of indefinite duration.

Its legal form is that of a *Caja de Ahorros* (Spanish savings bank) under Legislative Decree 1/2008 of 11 March 2008 enacting the restated Catalonia Savings Banks Act (*Ley de Cajas de Ahorro de Cataluña*).

The special legislation to which the Issue 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 2008 on the equity of financial institutions, and Law 24/1988, of 28 July, on the Securities Market.

Business overview

"la Caixa" is the parent company of a Group that operates in three main areas: banking (through **CaixaBank**); investments (through **Criteria CaixaHolding**); and welfare programmes.

Banking business

"la Caixa" carries out its financial activity indirectly through its holding in a bank that is listed on the stock exchanges of Barcelona, Bilbao, Madrid and Valencia, CaixaBank (such holding representing a stake of 60.5 % at 16 April 2014). Its core business is the provision of financial services in the retail market (the attraction of customer funds and grant of credit, together with the provision of all types of banking services: payment methods, securities transactions, currency exchange, etc.) with commercial management adapted to customer requirements.

As a benchmark institution for household and corporate banking, "la Caixa" applies appropriate segmentation and multi-channel management to its client relationships, ensuring specialised, professional and quality service.

CaixaBank Group's sales and marketing campaigns are aimed at securing the loyalty of its 13.6 million customers. The network of 5,730 branches and 31,948 employees are especially involved in this task at 31 December 2013 (6,342 branches and 32,625 employees at 31 December 2012).

At 31 December 2013, banking business volume, which combines customer deposits and loans in accordance with management criteria, amounted to €10,835 million (€13,977 million at 31 December 2012).

In addition, "la Caixa" multi-channel management strategy leverages new technologies to bring quality banking services closer to all users and make them more accessible through innovative services available anywhere, at any time (including an extensive network of ATMs, Internet banking and mobile banking).

Total profit attributable to CaixaBank Group amounted to €03 million in 2013, which was markedly higher than the 2012 figure of €230 million.

Equity portfolio

Criteria CaixaHolding (a wholly owned subsidiary of "la Caixa") is "la Caixa" Group's investment company, with shareholdings in strategic sectors such as energy, infrastructure, services and real estate. Criteria CaixaHolding seeks to create value by actively managing its portfolio of investments.

At 31 December 2013, the net asset value (NAV) of Criteria CaixaHolding's portfolio was €10,662 million. The portfolio features top-tier companies at the forefront of their respective fields, with great capacity to create value and profitability.

Criteria CaixaHolding is an unlisted company that pursues the growth, development and profitability of its investees through an active management approach. It has in-depth knowledge of the sectors in which it operates, a strong track record as an investment company and highly experienced management teams.

To this end, Criteria CaixaHolding identifies, analyses, studies and evaluates new business, investment and divestment opportunities on a daily basis.

Criteria CaixaHolding plays an active role in the governing bodies of its investees, collaborating with the management teams of such investees to define their future strategies and contributing to the medium to long-term development of their business activities.

Welfare projects

"la Caixa"'s social welfare budget for 2014 is €500 million. This expenditure level makes "la Caixa" Foundation the leading private foundation in Spain and one of the most important in the world. The commitment of "la Caixa" to the underprivileged – one of its hallmark traits – has taken on an even more prominent role under the current circumstances. The priority is to continue to address the basic needs of the underprivileged. 67.0% of the budget (€334.9 million) has been allocated to programmes 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 will continue to form part of "la Caixa" Foundation's strategic course of action.

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

Principal markets

98% of CaixaBank's income from its ordinary activities is generated in Spain. The rest comes, for the most part, from its holdings in banking institutions in other countries (primarily China, Portugal, Mexico and Central Europe).

With regard to Criteria CaixaHolding, all its holdings are in Spanish companies which operate at a

national and international level – in particular, Gas Natural Fenosa, which focuses on Spain and Latin America, and Abertis, which conducts its business primarily in Spain, France and Brazil.

Finally, the Foundation develops its welfare programmes primarily on Spanish territory, although it is also involved in certain international cooperation projects.

Competitive position

At 31 December 2013 the financial position of "la Caixa" Group as compared with that of other leading banks and savings bank groups was as follows:

| Banking groups | "la Caixa" | Santander | BBVA | BFA | Banco | Banco |
|--------------------------------|-------------------|------------------|--------------|----------------------|----------------|-----------------|
| <i>(Millions of euros)</i> | group | group | group | group | Popular | Sabadell |
| Shareholders' equity | 16.516 | 84.740 | 46.310 | 8.194 | 11.925 | 10.227 |
| Loans and receivables | 204.286 | 714.484 | 350.945 | 124.968 | 108.856 | 118.989 |
| Customer deposits ¹ | 174.958 | 607.837 | 300.490 | 108.543 | 89.988 | 99.363 |
| Total assets | 351.269 | 1.115.638 | 582.575 | 269.159 | 147.852 | 163.441 |
| Attributable Group profit | 745 | 4.370 | 2.228 | 1.997 | 325 | 248 |
| Number of employees | 33.291 | 182.958 | 109.305 | 15.617 | 16.027 | 18.077 |
| Number of branches | 5.730 | 13.927 | 7.512 | 2.093 ⁽²⁾ | 2.244 | 2.418 |

⁽¹⁾ Includes all on-balance sheet balances for this concept

⁽²⁾ Bankia branches

Source: December 2013 financial statements

Data derived from the audited financial statements of each of the groups and published on the CNMV Web page.

Organisational structure

Description of "la Caixa" Group

"la Caixa", as the parent of "la Caixa" Group, operates a banking business model geared towards fostering savings and loans. Until 2011, this activity was performed directly by "la Caixa".

Since 1 July 2011, following its reorganisation, "la Caixa" has carried out its business as a credit institution indirectly through a bank, CaixaBank, which began trading on the stock markets as a bank on the same date, and which enjoys a leading position in the Spanish retail banking market.

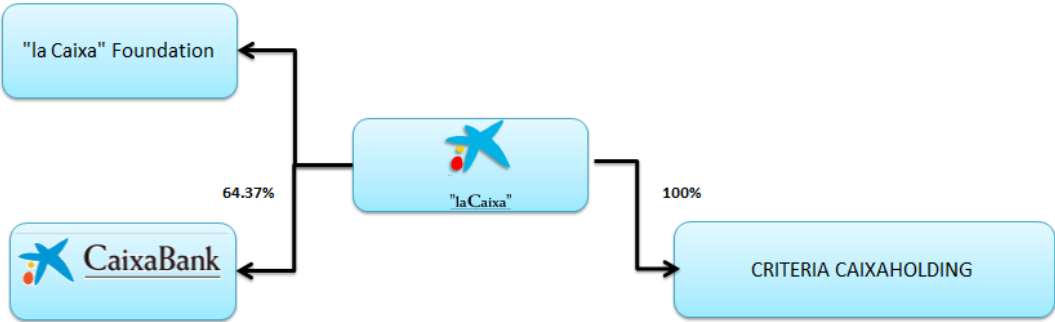
CaixaBank, the majority shareholder of which is "la Caixa" (64.37% at 31 December 2013), is a benchmark entity in the Spanish market in both finance and insurance. The bank is also diversifying into other complementary activities, such as holdings in international banks and in Telefónica and Repsol.

Through Criteria CaixaHolding (a wholly-owned subsidiary of "la Caixa"), "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 of the real estate assets acquired through "la Caixa" Group's lending activity only until mid 2011

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

"la Caixa" Group's structure enables it to adapt to new Spanish and international regulatory requirements, while safeguarding "la Caixa"'s social welfare objectives and the continuation of the Group's businesses.

As of 31 December 2013, the "la Caixa" Group's corporate structure is as follows:



| FINANCIAL AND INSURANCE COMPANIES | INTERNATIONAL FINANCIAL COMPANIES | OTHER | REAL-ESTATE COMPANIES | INDUSTRIAL HOLDINGS |
|-----------------------------------|--|------------------|-----------------------|-------------------------------|
| Caixa Card 100% | Banco BPI 46.22% | Telefonica 5.37% | Mediterranea B. 100% | Gas Natural 34.52% |
| Comercia Global Payments 49% | Boursorama 20.68% | Repsol 12.02% | Colonial. 5.79% | Abertis 23.09% ⁽¹⁾ |
| Finconsum 100% | GF Inbursa 9.01% | B.M.E. 5.01% | | Saba 50.1% |
| InverCaixa 100% | The Bank of East Asia 16.51% | | | HISUSA 24.26% |
| Credifimo 100% | Erste Group Bank 9.12% | | | |
| CaixaRenting 100% | | | | |
| CaixaBank Electronic Money 100% | | | | |
| ASEGURADORAS | REAL-ESTATE COMPANIES | | | |
| Videcaixa 100% | Building center 100% | | | |
| SegurCaixa Adeslas 49.9 % | Sareb 12.44% | | | |
| | Servihabitat Servicios Inmobiliarios 49% | | | |

On 16 January 2014, CaixaBank sold its entire stake in Bolsas y Mercados Españoles (5.01%) for €24 million through an accelerated bookbuilding.

In January 2014, Criteria CaixaHolding sold its entire stake in Inmobiliaria Colonial, SA (5.79%) for €15 million.

Business segments

Banking and insurance

This is "la Caixa" Group's core business and includes the entire banking business of "la Caixa" Group carried out indirectly through CaixaBank (loans and receivables, customer deposits, rendering of financial services to Group clients, investment funds marketing, insurance and pension plans, cash management, etc.) and predominantly in Spain, via the network of bank branches and other complementary channels. It encompasses the activity and profits generated from the Group's customers, whether individuals, companies or institutions. It also incorporates the liquidity management and the Assets and Liabilities Committee (**ALCO**), and income from the financing of the equity investment business.

This segment includes the results of Grupo VidaCaixa, whose retail products are distributed to the same customer base through the CaixaBank branch office network, and the management of InverCaixa's assets.

CaixaBank investees

This segment includes the results of investments of the international banking equity portfolio (G.F. Inbursa, S.A.B de C.V., The Bank of East Asia, Ltd., Erste Bank, A.G., Banco BPI, S.A. and Boursorama, S.A.) managed by CaixaBank, and the investments in Repsol, S.A. and Telefónica, S.A. The gross income of this business includes dividend income and income from companies accounted for using the equity method, net of the related financing charge, equivalent to the opportunity cost of holding the investment over the long term.

Criteria CaixaHolding

This segment includes the activity and results of the equity portfolio and other real estate assets managed by the unlisted holding company, Criteria CaixaHolding, including investments in industrial and services companies (mainly Gas Natural Fenosa, Abertis, Agbar and SABA).

Corporate activities

This segment includes the remaining assets and liabilities, and related income, which are not allocated to any other business of the "la Caixa" Group, including the net financial debt of "la Caixa" and income arising from decisions affecting the "la Caixa" Group taken as a whole, and which by their nature are not allocable to any other business of the Group. This segment also includes the consolidation adjustments required to include financial statements of the various business segments in "la Caixa" Group's consolidated audited financial statements.

The definition of the Group's business segments has not changed from 2012 to 2013. However, the following points should be taken into account in respect of 2013 performance:

- Banco de Valencia, S.A. Group entered the Group in 2013, after it was acquired from the Orderly Bank Restructuring Fund (*Fondo de Reestructuración Ordenada Bancaria*) (the **FROB**).
- For the purpose of properly interpreting year-on-year variations in the business segments, it should be taken into account that in 2012, Banca Cívica's earnings were only included with those of the Group as from 1 July of that year, whereas in 2013 they were included for the full period. Banco de Valencia Group's income statement was incorporated for all of 2013.
- The streamlining processes carried out by the Group to enhance management of both business and costs, entailing the merger of investees, the liquidation of dormant companies and the sale of certain businesses. These concentration efforts mainly affected holding companies and insurance company investees.

The Group also carried out an intense optimisation of the network of bank branches, closing 968 bank branches during the year (without taking into account the bank branches incorporated on the acquisition of Banco de Valencia). To further optimise and contain costs, in the first quarter of 2013 a personnel restructuring agreement was reached within CaixaBank. These efforts gave rise to restructuring costs of €39 million in 2013.

Members of Administrative, Management and Supervisory bodies

Board of Directors

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

| | Position | Represented stakeholder sector |
|-----------------------------------|---------------------------------|--|
| Isidro Fainé Casas | Chairman | Depositors |
| Salvador Gabarró Serra | First Deputy Chairman | Depositors |
| Javier Godó Muntañola | Second Deputy Chairman | Founding and community interest entities |
| Eva Aurín Pardo | Member | Depositors |
| Victòria Barber Willems | Member | Depositors |
| María Teresa Bassons Boncompte | Member | Founding and community interest entities |
| Montserrat Cabra Martorell | Member | Depositors |
| Josep-Delfí Guàrdia Canela | Member | Founding and community interest entities |
| Monika Habsburg Lothringen | Member | Founding and community interest entities |
| Francesc Homs Ferret | Member | Local authorities |
| Xavier Ibarz Alegría | Member | Local authorities |
| Juan-José López Burniol | Member | Founding and community interest entities |
| Mario López Martínez | Member | Depositors |
| Dolors Llobet María | Member | Employees |
| Estefanía Judit Martín Puente | Member | Depositors |
| Justo Bienvenido Novella Martínez | Member | Employees |
| Ana Robles Gordaliza | Member | Depositors |
| Jorge Roglá de Leuw | Member | Founding and community interest entities |
| Josep Joan Simón Carreras | Member | Local authorities |
| Francisco Villoslada Correa | Member | Local authorities |
| Josep Francesc Zaragoza Alba | Member | Employees |
| Alejandro García-Bragado Dalmau | Secretary (non-director) | |
| Óscar Calderón de Oya | Deputy Secretary (non-director) | |

The business address of the members of the Board of Directors is the address of "la Caixa" itself: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

Executive Committee

At the registration date of this Prospectus the members of the Executive Committee are:

| |
|---|
| Chairman: |
| Isidre Fainé Casas |
| First Deputy Chairman: |
| Salvador Gabarró Serra |
| Second Deputy Chairman: |
| Javier Godó Muntañola |
| Members: |
| Eva Aurín Pardo |
| Xavier Ibarz Alegría |
| Dolors Llobet Maria |
| Juan-José López Burniol |
| Secretary (non-director): |
| Alejandro García-Bragado Dalmau |
| Deputy Secretary (non-director): |
| Óscar Calderón de Oya |

The business address of the members of the Executive Committee is the address of "la Caixa" itself: Avenida Diagonal, 621-629, 08028 Barcelona, Spain. Article 19 of "la Caixa" By-laws states the functions of the Executive Committee. The Executive Committee is the Board of Directors' permanent delegated body. It is responsible for taking decisions on acts of management, disposal, encumbrance and ownership, as well as bringing legal proceedings. It should be noted that putting motions to General Assemblies and exercising powers delegated to the Board of Directors by the General Assembly are matters that cannot be delegated by the Board and cannot, therefore, be performed by the Executive Committee, unless otherwise expressly authorised.

Investment Committee

At the registration date of this Prospectus the members of the Investment Committee are:

| |
|---|
| Chairman: |
| Isidre Fainé Casas |
| Members: |
| Dolors Llobet Maria |
| Juan-José López Burniol |
| Secretary (non-director): |
| Alejandro García-Bragado Dalmau |
| Deputy Secretary (non-director): |
| Óscar Calderón de Oya |

The business address of the members of the Investment Committee is the address of "la Caixa" itself: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

Article 17 of "la Caixa" By-laws states the functions of the Investment Committee.

Appointments and Remuneration Committee

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

| |
|---|
| Chairman: |
| Isidre Fainé Casas |
| Members: |
| Salvador Gabarró Serra |
| Javier Godó Muntañola |
| Secretary (non-director): |
| Alejandro García-Bragado Dalmau |
| Deputy Secretary (non-director): |
| Óscar Calderón de Oya |

The business address of the members of the Appointments and Remuneration Committee is the address of "la Caixa" itself: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

Article 17 of "la Caixa" By-laws states the functions of the Remuneration Committee.

Welfare Projects Committee

At the registration date of this Prospectus the members of the Welfare Projects Committee are:

| |
|--|
| Chairman: |
| Isidre Fainé Casas |
| Members: |
| Salvador Gabarró Serra |
| Javier Godó Muntañola |
| Montserrat Cabra Martorell |
| Francesc Homs Ferret |
| Mario López Martínez |
| Justo Bienvenido Novella Martínez |
| Jorge Roglá de Leuw |
| Josep Joan Simón Carreras |
| Secretary (non-director): |
| Alejandro García-Bragado Dalmau |
| Deputy Secretary (non-director) |
| Óscar Calderón de Oya |

The business address of the members of the Welfare Projects Committee is the address of "la Caixa" itself: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

Article 18 of "la Caixa"'s By-laws states the functions of the Welfare Committee.

Control Committee

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

| | Position | Represented stakeholder sector |
|------------------------------|-----------------|--|
| Josefina Castellví Piulachs | Chairwoman | Founding and community interest entities |
| Javier Artal Morillo | Secretary | Founding and community interest entities |
| José Daniel Barquero Cabrero | Member | Depositors |
| Santiago Batchileria Grau | Member | Local authorities |
| Antonio José Carrique Báez | Member | Depositors |
| Josep Fullana Massanet | Member | Depositors |
| Josep Magriñà Poblet | Member | Employees |
| Enrique Quijano Roy | Member | Depositors |
| Miguel Vives Corona | Member | Local authorities |

The business address of the members of the Control Committee is the address of "la Caixa" itself: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

Senior Management

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

Chief Executive Officer:

Juan María Nin Génova

Deputy Executive Managing Director:

Marcelino Armenter Vidal

Central Services:

Elisa Duran Montolio

Jaume Giró Ribas

Jaime Lanaspá Gatnau

Joaquim Vilar Barrabeig

Jordi Gual Solé

General Secretary:

Alejandro García-Bragado Dalmau

The business address of the members of Senior Management Committee is the address of "la Caixa" itself: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

Principal activities engaged in by those persons outside the entity

Isidro Fainé Casas:

Abertis Infraestructuras, S.A. (First Deputy Chairman)

Banco BPI, S.A. (Director)

Confederación Española de Cajas de Ahorros-CECA (Chairman)

Repsol YPF, S.A. (First Deputy Chairman)

Telefónica, S.A. (Deputy Chairman)

The Bank of East Asia (Director)

Sociedad General de Aguas de Barcelona, S.A. (Second Deputy Chairman)

CaixaBank, S.A. (Chairman)

Criteria CaixaHolding, S.A.U. (Chairman)

Salvador Gabarró Serra:

Gas Natural, S.D.G., S.A. (Chairman)

CaixaBank, S.A. (Director)

Javier Godó Muntañola:

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

Grupo Godó de Comunicación, S.A. (Chairman and CEO)

CaixaBank, S.A. (Director)

Eva Aurín Pardo

CaixaBank, S.A. (Director)

Victoria Barber Willems

Criteria CaixaHolding, S.A.U. (Director)

Maria Teresa Bassons Boncompte

CaixaBank, S.A. (Director)

Montserrat Cabra Martorell

Criteria CaixaHolding, S.A.U. (Director)

Josep-Delfi Guàrdia Canela

Criteria CaixaHolding, S.A.U. (Director)

Monika Habsburg Lothringen

Criteria CaixaHolding, S.A.U. (Director)

Francesc Homs Ferret

Criteria CaixaHolding, S.A.U. (Director)

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

Xavier Ibarz Alegría

CaixaBank, S.A. (Director)

Dolors Llobet Maria

SabaInfraestructuras, S.A. (Director)

Nuevo Microbank, S.A.U. (Director)

CaixaBank, S.A. (Director)

Juan-José López Burniol

CaixaBank, S.A. (Director)

Mario López Martínez

Criteria CaixaHolding, S.A.U. (Director)

Estefanía Judit Martín Puente

Criteria CaixaHolding, S.A.U. (Director)

Justo Bienvenido Novella Martínez

Criteria CaixaHolding, S.A.U. (Director)

Ana Robles Gordaliza

Criteria CaixaHolding, S.A.U. (Director)

Josep Joan Simón Carreras

Criteria CaixaHolding, S.A.U. (Director)

Josep Francesc Zaragoza Alba

Criteria CaixaHolding, S.A.U. (Director)

Juan María Nin Génova

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

Gas Natural, S.D.G., S.A. (Director)

Repsol YPF, S.A. (Director)

Banco BPI, S.A. (Director)

Grupo Financiero Inbursa S.A.B. de C.V. (Director)

Erste Bank (member of the Supervisory Board)

CaixaBank, S.A. (Deputy Chairman and CEO)

Criteria CaixaHolding, S.A.U. (Deputy Chairman)

Marcelino Armenter Vidal

Criteria CaixaHolding, S.A.U. (CEO)

Abertis Infraestructuras, S.A. (Director)

Banco BPI, S.A. (Director)

Caixa Capital Risc, S.G.E.C.R., S.A. (Executive Chairman)

Caixa Invierte Industria, S.C.R., S.A. (Chairman)

HISUSA-Holding de Infraestructuras y Servicios Urbanos, S.A. (Director)

Ahorro Corporación, S.A. (Third Deputy Chairman, Natural Person Representative of the Director ESTUGEST, S.A.)

The other persons referred to in this section do not engage in any relevant activity outside "la Caixa".

Audit, Internal Control and Regulatory Compliance

Following "la Caixa" Group's reorganisation in 2011, which culminated in the creation of CaixaBank as a listed bank, and in the context of the recent integration of financial institutions, the Group has become far more complex.

In the current environment of economic volatility and changes in the financial system and the regulatory framework, the demands on and duties of senior management and governing bodies are increasing, as corporate governance and internal control are sensitive matters for stakeholders.

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 Directorate

of Audit and Regulatory Compliance and CaixaBank's Sub-Directorate-General for Audit, Internal Control and Regulatory Compliance (**Control SDG**).

CaixaBank's Sub-Directorate General for Control comprises three organisational 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 organisational structure was bolstered with the creation of the Internal Control 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 on the function and objectives of the three areas of Control SDG, resulting in its reorganisation and the reinforcement of its resource structure.

Administrative, management and supervisory body conflicts of interest

In accordance with article 229 of the restated Spanish Companies Act (*Ley de Sociedades de Capital*), none of the members of the Board of Directors, the Control Committee or Senior Management has any conflict of interest with the Issuer. It is further stated that directors have a duty, prescribed by the Bylaws, to notify the Appointments and Remuneration Committee of any conflict of interest that may arise with the bank or its corporate purposes. The persons named above hold various positions at "la Caixa" investees which provide basic services and supplies (such as water (Aguas de Barcelona, S.A.) or telecommunications (Telefónica, S.A.)) at arm's length prices.

In addition, as regards the mechanisms adopted by "la Caixa" to avoid conflicts of interest, article 15.3 of the "la Caixa" Bylaws requires that loans, guarantees and sureties provided to: (i) members of the Board of Directors the Control Committee, the CEO or their respective spouses, ancestors, descendants and siblings; and/or (ii) companies in which such persons hold an ownership interest that (either separately or in the aggregate) is a majority interest, or in which they hold the position of chairman, director, manager, CEO or similar, must be approved by the Board of Directors, or, in the use of powers delegated to it and disclosing its decisions, by the Executive Committee of "la Caixa". As at 31 December 2013, The amount of lending, collateral and guarantee transactions carried out either directly or indirectly, or through "la Caixa"'s foundations or affiliated or investee entities, in favour of directors or members of the Control Committee or their first-degree family members, or with companies or entities that they control, as defined under article 4 of the Law 24/1988, of 28 July, on the Securities Market, amounted to €6,466,000 and €736,000 respectively. The financial terms of these transactions may be reviewed in the 2013 Annual Corporate Governance Report, which is on display on the websites of "la Caixa" – www.lacaixa.es – and the CNMV – www.cnmv.es.

In addition, article 9.4 of the Bylaws establishes that directors may not be linked to "la Caixa" or to companies in which it holds more than twenty-five per cent of the capital through contracts for project work, services, supplies or paid work during the period in which they hold such office and in the two years following such period (such period calculated from their departure as directors), except in the case of an employment relationship whereby they hold any such posts as direct representatives of the employees of "la Caixa".

Main shareholders

As "la Caixa" is a savings bank, and therefore has the form of a foundation, "la Caixa" has no shareholders.

The General Assembly is the highest governance body of "la Caixa". Its members, who are referred to as General Assembly Members, ensure the integrity of its assets, safeguard depositors' interests,

ensure that its aim of social contribution is achieved, and establish policy guidelines. With regard to the rules laid down in the Articles of Association on the composition of the General Assembly, it should be noted that 64 of its 160 members represent depositors, 45 represent foundations and welfare institutions, 31 represent local corporations and 20 represent employee organisations.

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

"la Caixa"'s consolidated audited annual accounts for each of the years ended 31 December 2013 and 31 December 2012 are incorporated by reference in this Prospectus (please see *Documents Incorporated by Reference*).

Interim Key Financial Information

Additionally, in the first quarter of 2014 "la Caixa"'s consolidated unaudited key figures were as follows:

| Income statement headings | | | |
|-----------------------------------|----------------|----------------|------------------|
| (Millions of euro) | 1Q 2014 | 1Q 2013 | Variation |
| Net interest income | 918 | 896 | 2.5% |
| Gross income | 1,906 | 1,813 | 5.1% |
| Net operating income / (loss) | 923 | -5 | - |
| Profit attributable to the parent | 229 | 461 | -50.3% |
| Balance sheet headings | | | |
| (Millions of euro) | 1Q 2014 | 4Q 2013 | Variation |
| Total assets | 342,368 | 351,269 | -2.5% |
| Total equity | 27,427 | 27,237 | 0.7% |
| Shareholder's capital | 16,519 | 16,516 | 0.0% |
| Total customer funds | 310,243 | 304,636 | 1.8% |
| Customer loans, gross | 200,622 | 206,479 | -2.8% |
| Provisions | 14,683 | 15,486 | -803 |
| Liquidity | 65,003 | 60,762 | 4,241 |
| Loan to deposits | 105.0% | 109.9% | -4.9% |
| CET1 BIS III - Phase in | 11.3% | 10.5% | 0.8% |

Source: "la Caixa"

Save as disclosed in the aforementioned table and in the rest of this Prospectus, since 31 December 2013 there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer.

Legal and arbitration proceedings in tax-related matters

The main tax proceedings ongoing at 31 December 2013 were as follows:

- In 2011, the tax authorities began an inspection of the "la Caixa" Group in relation to the principal taxes applicable between 2007 and 2009. These inspections were completed in 2013 and assessments were issued, mainly in relation to temporary differences arising from divergences between accounting and tax standards. Assessments signed in agreement were paid, while those signed under protest are still awaiting a ruling by the Central-Economic

Administrative Tribunal. For the latter, CaixaBank has recognised provisions amounting to €10,725,000.

- In 2008, the tax authorities began an inspection of the "la Caixa" Group for the principal taxes applicable between 2004 and 2006. This inspection was completed in 2010 and assessments were issued, mainly in relation to temporary differences arising from divergences between accounting and tax standards. Although some of the tax assessments were signed under protest, the Issuer recognised provisions for €3,839,000 to cover the maximum contingencies that could arise from them. There are currently pending resolution by the Central Economic-Administrative Tribunal.

Furthermore, being the Issuer the successor of Banca Cívica (and, therefore, the successor of the Savings Banks that formerly contributed their assets and liabilities to Banca Cívica), below is shown information on the inspections carried out for the main taxes, which generally speaking cover the following tax years:

- Caja Burgos to 2007; Cajasol to 2006; Caja Canarias to 2008 and Caja Navarra to 2009. Therefore, the regulatory records issued in relation to the 2011 and 2012 inspections did not have a material impact.
- On 18 July 2012, the tax authorities notified Cajasol of the beginning of an inspection for the main taxes applicable to it for the years 2007 to 2010 (inclusive). At year-end 2013 this inspection had not been completed.
- Subsequently, on 20 March 2013, the tax authorities notified Caja Canarias of the beginning of an inspection for the main taxes applicable to it for the years 2009 and 2010. At year-end 2013 this inspection had not been completed.
- In addition, on 11 July 2013, the tax authorities notified Caja de Burgos of the beginning of an inspection for the main taxes applicable to it for the years 2008 to 2010 (inclusive). At year-end 2013 this inspection had not been completed.

Also, in 2013 the tax authorities completed the inspection of Banco de Valencia for the main taxes applicable to it from 2006 to 2009. The inspections were completed at the beginning of 2014 and the assessments issued and signed in agreement. The tax payable was paid.

The variety of possible interpretations of the tax regulations applicable to transactions carried out by financial institutions may give rise to certain contingent tax liabilities which cannot objectively be quantified. The "la Caixa" Group's management considers that the provision under "Provisions for taxes and other legal contingencies" in the balance sheet is sufficient to cover these contingent liabilities.

Legal

As at the year ended 31 December 2013, certain lawsuits and proceedings were ongoing involving "la Caixa" Group and arising from the ordinary course of its operations.

As at the date of this Prospectus, the provision covering obligations which may arise from various ongoing legal proceedings amounts to €109 million, of which €85 million corresponds to legal proceedings deriving from Banca Cívica and the remainder to other legal proceedings, whose individual amounts are not material. Given the nature of these obligations, it is uncertain when the relevant cash payouts will occur.

"la Caixa" Group's legal advisors and directors consider that the outcome of such lawsuits and proceedings are not likely to have a material effect on equity in the years in which they are settled.

Significant change in the Issuer's financial position

No material change has occurred that might affect the "la Caixa" Group's individual or consolidated financial position or solvency since the last audited financial information, which relates to the year ended 31 December 2013.

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

5. RECENT DEVELOPMENTS AND FACTS WHICH MAY HAVE A MATERIAL EFFECT ON THE ISSUER'S PROSPECTS

Issuer's mandatory conversion into a banking foundation

In accordance with Transitional Provision One of Spanish Law 26/2013 of 27 December on Savings Bank and Foundations, 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 29 December 2014. Until such time, it shall be governed by: Law 31/85 of August, which regulates the governing bodies of savings banks; the corresponding implementing regulations; and, where applicable, 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.

Under Law 26/2013, the governing bodies for banking foundations are the Board of Directors, any delegated committees specified in the Articles of Association and the Managing Director. The Board of Directors is the supreme managing body for the foundation and its members must meet requirements for commercial and professional integrity. The Law also lays down the rules governing the foundation's holding in the credit institution, including the need to draw up a financial plan and guidelines on the management of the holding. These guidelines should set out the basic strategic criteria applied to the management of the foundation's holding in the credit institution. They should also establish the relationship between the foundation's Board and the governing bodies of the investee credit institution, and specify the general criteria applicable to transactions concluded between the banking foundation and the investee institution, as well as the mechanisms for preventing conflicts of interest. Finally, the banking foundation must draw up an annual corporate governance report.

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.

The reform of 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 harmonised 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 recognised in the buffer of Principal Capital above the minimum requirement at 31 December 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 not fall below the minimum requirements of June 2012.

At December 2013, "la Caixa" Group had a Core Tier 1 EBA level, 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 €3,816 million above the minimum capital requirements of Circular 3/2008.

The annual trend in solvency highlights the Group's ability to generate capital organically, on account of both its earnings and its prudent approach to risk management, and the non-recurring transactions carried out in the year. Such transactions include 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 extraordinary provisions, including provisions for restructuring costs and impairment to comply with the requirements of Royal Decree-Law 18/2012.

Risk-weighted assets (**RWA**) amounted to €39,161 million at 31 December 2013, a €2,469 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 optimising 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 partially offset 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 including the transition period 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 31 January 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%.

Banking supervision and resolution regime applicable to the Issuer (post-Reorganisation) and to Criteria CaixaHolding (post-Reorganisation)

General

Following the Reorganisation and in addition to the Bank of Spain's supervision of both the Issuer and Criteria pursuant to Law 26/2013, the fact that the Issuer will wholly own a subsidiary (i.e., Criteria CaixaHolding, which will become the company that holds "la Caixa"'s other subsidiaries) that will directly control a credit institution (i.e., CaixaBank), current and proposed EU law could apply to the Issuer and Criteria CaixaHolding in terms of consolidated capital requirements and banking resolutions, including the European Central Bank (the **ECB**) supervision in these areas, despite neither of them being credit institutions in their own right.

Capital requirements on a consolidated basis at Issuer or Criteria CaixaHolding level

Regulation (EU) no. 575/2013 requires that non-bank-licensed holding companies that hold a controlling stake in a credit institution shall comply with the same capital requirements on a consolidated basis that are applicable to a parent credit institution, provided that the majority of the activities undertaken by their subsidiaries are in the financial sector. According to Regulation (EU) no. 1024/2013, the ECB shall be the appointed banking supervisor for non-bank-licensed holding companies that are required to maintain capital requirements on a consolidated basis.

Due to the uncertainty surrounding both the Issuer and Criteria CaixaHolding's potential classification as a non-bank holding company, together with the fact that the ECB is yet to take over as the new banking supervisor and there being limited experience applying Regulation (EU) no. 575/2013, it is not possible to assess whether capital requirements on a consolidated basis will be applicable in the future at the Issuer or Criteria CaixaHolding..

Once the ECB assumes its single supervisory role in November 2014, the Issuer expects to receive confirmation on the particular status of the Issuer and Criteria as non-bank-licensed holding companies under Regulation 575/2013 and as to whether or not they are required to meet capital requirements on a consolidated basis. Until such status is determined, the Issuer shall continue to be subject to capital requirements on a consolidated basis under Regulation no. 575/2013.

Bank resolution legislation

Bank resolution mechanisms in Spain are established under Law 9/2012 which, when enacted, was based on the latest existing version of the proposed European RRD. Under the aforementioned law, all bank resolution mechanisms are applicable only to licensed credit institutions.

Accordingly, the mechanisms set forth under Law 9/2012 are not expected to be legally applicable either to the Issuer after the Reorganization or to Criteria (which is not and will not be, after the Spin Off, a credit institution).

However, unlike Law 9/2012, the RRD's current proposed draft shall apply to the Issuer after the Reorganization and/or Criteria — despite neither of them being a credit institution — to the extent that the Issuer and Criteria are currently holding companies that have a controlling stake in CaixaBank.

Since the RRD will harmonise bank resolution rules in all EU member states and establish common instruments to be used in bank crises, it is expected that Law 9/2012 will need to be amended or adapted to the finally approved RRD, to permit, among other things, resolution mechanisms applicable to non-bank-licensed holding companies that like the Issuer or Criteria CaixaHolding have a controlling stake in a bank or other credit institutions.

Resolution mechanisms under RRD are envisaged to apply to holding companies both when the holding company and the bank subsidiary are failing or likely to fail or when only the bank subsidiary meets the resolution conditions under the RRD and the use of resolution tools and powers in relation to the holding company become necessary for the resolution of the bank subsidiary or the group as a whole. Accordingly, under the RRD's current draft, CaixaBank's failure or likely failure would be considered a trigger that allowed the use of resolution mechanisms on the Issuer or Criteria CaixaHolding.

Under the RRD, holding companies like the Issuer and Criteria are required to prepare resolution plans at a group level that will have to be approved by their resolution authorities, and hold a certain amount of own funds and eligible securities, only if consolidated capital requirements are required at the Issuer or Criteria level.

It is highly difficult at this stage to anticipate with any degree of certainty whether and how the banking resolution tools and requirements under the RRD could be applied to the Issuer or Criteria CaixaHolding.

Since the RRD is yet to be published in the Official Journal of the European Union and that there are several elements that will depend on the relevant resolution authorities, it is not yet possible to assess the full impact of the RRD, including the extent to which the application of the resolution tools and requirements will affect the Issuer and Criteria CaixaHolding or debt instruments such as the Notes.

6. FOUNDATION PROCESS AND REORGANISATION

6.1 Introduction

The Board of Directors of "la Caixa" decided in a meeting held on 10 April 2014 to call the Annual General Ordinary Assembly to be held on 22 May 2014 which, among other matters, shall decide upon the conversion of "la Caixa" into a banking foundation (*fundación bancaria*), in accordance with the Spanish Law on Savings Bank and Foundations of 27 December 2013 (the **Savings Banks and Banking Foundations Law**) and upon "la Caixa" Group's restructuring process that will be executed –be it the case– within the context of the aforementioned conversion (the **Reorganisation**).

For the purposes of complying with this legal requirement, the Annual General Assembly to be held on 22 May 2014 will resolve on the conversion of "la Caixa" into a banking foundation. In accordance with the provisions of the Savings Banks and Banking Foundations Law, the conversion into a banking foundation will involve that "la Caixa" will cease to be a credit institution under the form of a savings bank (*caja de ahorros*). 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. Additionally, the banking foundation will have to prepare, pursuant to section 43 of the Savings Banks and Banking Foundations Law, a management protocol (*protocolo de gestión*) of CaixaBank that will, at least, regulate: (i) the banking foundation's basic strategic principles through which it manages its holding in CaixaBank; (ii) the relations between the governing body of the banking foundation (*patronato*) and the governing bodies of CaixaBank; and (iii) the general principles that govern the operations carried out between the banking foundation and CaixaBank and the mechanisms set in place to prevent any possible conflict of interest.

In the context of the conversion of "la Caixa" into a banking foundation, other restructuring transactions of "la Caixa" Group will be carried out.

First, the Annual General Assembly of "la Caixa" will ratify, if it deems it appropriate, the dissolution and liquidation of Fundación Caixa d'Estalvis i Pensions de Barcelona (the "**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 the assets and liabilities of "la Caixa" Foundation in favour of "la Caixa", the Annual General Assembly will also accept the transfer of these assets and liabilities.

In addition, the Annual General Assembly of "la Caixa" will express, if it chooses to do so, its desire that the banking foundation into which "la Caixa" will be converted approves the Spin Off (as defined in Condition 16.1 of Section 7 (*Terms and Conditions of the Notes*)) and contribution to Criteria CaixaHolding of, among other assets and liabilities (i) "la Caixa" shareholding interest in CaixaBank (which on 31 March 2014 was 60.5% –considering the conversion transactions related to its convertible bonds series 1/2012– and which will be 55.9% in 2017 on a fully diluted basis), so that the banking foundation holds its shareholding interest in CaixaBank through Criteria CaixaHolding, and (ii) the debt instruments of which "la Caixa" is the issuer (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments) and in particular, these Notes.

Dissolution and liquidation of "la Caixa" Foundation

Currently "la Caixa" carries out activities as a credit institution (savings bank) and contributes to the development of its welfare projects (*obra social*). For reasons of efficiency, 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".

"la Caixa" Foundation has served its purpose thoroughly proving to be a very useful instrument during the period where "la Caixa" operated as a savings bank. However, due to "la Caixa"'s conversion into a banking foundation where it will cease to operate as a savings bank, "la Caixa" Foundation will no longer be necessary to manage any of "la Caixa"'s welfare projects which will fall under the scope of the banking foundation.

Taking into account all of the above, 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 CaixaHolding

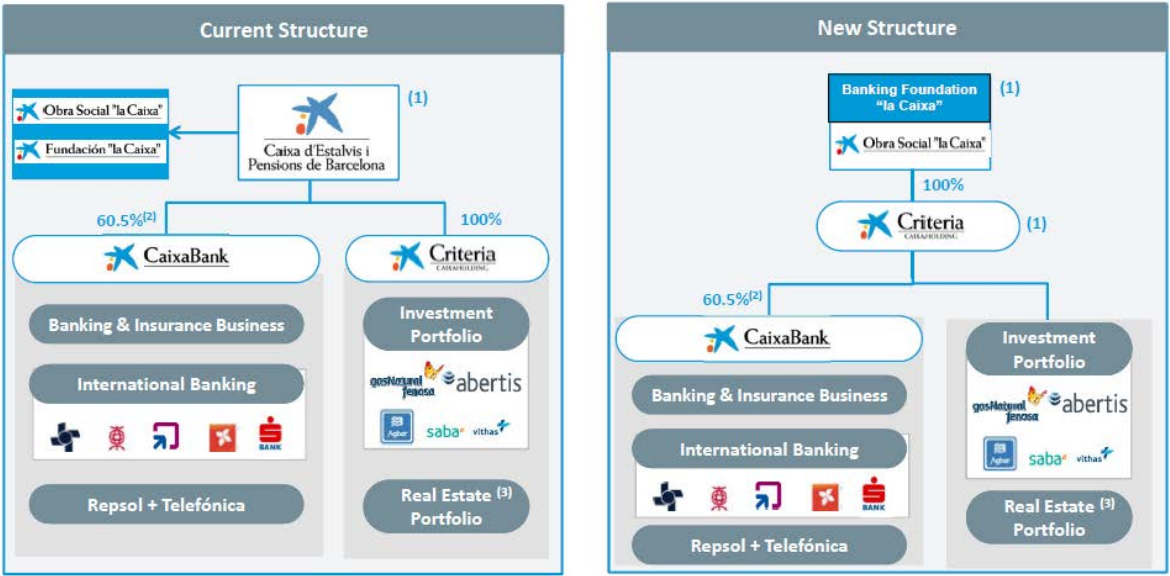
The banking foundation into which "la Caixa" is expected to be converted would have as main activities: (i) the management of all the welfare projects, as mentioned above, (ii) the economic activities related to the management of its shareholding in CaixaBank, (iii) the management of the debt instruments of which "la Caixa" is the issuer and (iv) the management of its shareholding in Criteria CaixaHolding, which is the wholly- owned holding subsidiary by means of which "la Caixa" Group indirectly owns all its non- financial investments.

However, to properly develop the above mentioned activities it is necessary to establish a differentiation between the welfare projects and those economic activities that bear no relation to them. Consequently, to establish this differentiation, the Annual General Assembly of "la Caixa" to be held on 22 May 2014 will express its desire that the banking foundation into which "la Caixa" is converted also approves the assignment to Criteria CaixaHolding, by means of the Spin Off of, among other assets and liabilities, the shareholding interest in CaixaBank and the debt instruments of which "la Caixa" is the issuer (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments), in particular, the Notes. Upon the Spin Off Effective Date, "la Caixa" shall, without the further consent of the Noteholders, be replaced and substituted by Criteria CaixaHolding. Additionally, Noteholders will have no opposition right in relation to any of the corporate transactions involved in the Reorganisation (in particular, in relation with the Spin off).

Through the Spin Off, the banking foundation into which "la Caixa" is expected to be converted will directly manage the welfare projects that have traditionally characterised "la Caixa" and the management of the economic activities unrelated to these welfare projects will be carried out through a single entity, Criteria CaixaHolding, which will be the holding company not only of "la Caixa" Group's non-financial investments, as it is currently the case, but also of "la Caixa" shareholding in CaixaBank together with the debt instruments of which "la Caixa" is the issuer.

As shown in the following chart, in the last quarter of 2014, once the restructuring transactions 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 an instrumental foundation; 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 issuer (together with hedging derivatives held by "la Caixa" and the valuation adjustments associated to these debt instruments) through Criteria CaixaHolding, 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 to Criteria CaixaHolding. This includes the full holding of CaixaBank shares and issued outstanding debt (including the Notes) which on 31 of March 2014 amounted to EUR 7,805 million.

(2) As of 31 March 2014, considering the conversion transactions related to CaixaBank's convertible bonds series 1/2012 (55.9% fully diluted in 2017).

(3) Outstanding real estate assets resulting from the reorganization of the "la Caixa" Group executed in 2011.

6.2 Information about Criteria CaixaHolding

Auditors

The consolidated audited annual accounts of Criteria CaixaHolding as at and for the years ended 31 December 2012 and 31 December 2013 were audited by Deloitte, S.L., whose registered office is at Plaza de Pablo Ruiz Picasso 1, Torre Picasso, Madrid. The auditors have not withdrawn or been removed from their engagement.

Information about the company

Legal and commercial name and legal status

Company name: Criteria CaixaHolding, S.A., Sole Shareholder Company.

Commercial name: Criteria CaixaHolding.

Tax Identification Number: A-63379135.

Criteria CaixaHolding is subject to the Spanish *Ley de Sociedades de Capital* and developing and implementing regulation. According to Spanish law upon execution of the Spin-Off, Criteria CaixaHolding will be subject to regulation applicable to non-listed issuers.

Place of registration and registration number

Criteria CaixaHolding is registered in the Barcelona Companies Register volume 44,104, page 143, sheet B-278,796, inscription 167.

Place of registration and registration number

Criteria CaixaHolding is registered in the Barcelona Companies Register volume 44,104, page 143, sheet B-278,796, inscription 167.

Date of incorporation and length of life, except where indefinite

Criteria CaixaHolding was incorporated on 11 July 200 for an indefinite period of time.

Domicile and legal form, legislation under which the company operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business, if different from its registered office);

Criteria CaixaHolding has its registered office at Avenida Diagonal 621, Barcelona 08028. It is a Spanish company and has the legal form of a public limited company and is therefore governed by the Spanish Companies Act (*Ley de Sociedades de Capital*), the consolidated text of which was ratified by Royal Decree-Law 1/2010 of 2 July. The Company was incorporated in Spain and the telephone number of its registered office is (+34) 93 409 21 21.

Any recent events of material relevance to the evaluation of the company's solvency

There are no recent events which might be relevant to the evaluation of Criteria CaixaHolding's solvency save as described in this Prospectus, Criteria CaixaHolding's consolidated audited annual accounts as of and for each of the years ended 31 December 2013 and 2012, and the price-sensitive information notices (*hechos relevantes*) of "la Caixa" Group affecting Criteria CaixaHolding which have been published and filed with the CNMV since 31 December 2013 which are available on the CNMV website (www.cnmv.es), which are deemed to be incorporated in, and to form part of, this Prospectus (please see *Documents Incorporated by Reference*).

Business overview / Equity portfolio

Criteria CaixaHolding is "la Caixa" Group's investment company, with shareholdings in strategic sectors such as energy, infrastructure and services and a presence in the real estate business. It seeks to create value by actively managing its portfolio of investments and assets.

The value of the Criteria CaixaHolding portfolio and assets at 31 December 2013 was €13,119 million. The portfolio includes top-tier companies which are leaders in their respective fields with great capacity to create value and profitability.

Criteria CaixaHolding's registered office is in Barcelona and is wholly owned by "la Caixa".

The Criteria CaixaHolding investment portfolio includes the following companies:

- Gas Natural S.D.G., S.A. (34.5%)

Gas Natural S.D.G., S.A. (**Gas Natural Fenosa**) is a leading multinational company in the gas and electricity industry. It is present in 25 countries and has almost 20 million customers and an installed capacity of over 15 GW.

It is the largest integrated gas and electricity utility in Spain and Latin America, the leader in the retailing of gas in the Iberian Peninsula and the main distributor of natural gas in Latin America. Further, it is a benchmark liquefied natural gas and natural gas operator in the Atlantic and Mediterranean basin.

- Abertis Infraestructuras, S.A. (19.2%)

Abertis Infraestructuras, S.A. (**Abertis**) is the leading international group in toll road and telecommunications infrastructure management. It has become the world leader in the toll road management sector with more than 7,300 kilometres globally on account of the inclusion of nine OHL toll road concession operators in Brazil and another three in Chile. As a result of the geographical diversification undertaken in recent years, Abertis has a presence through its various business areas in 12 countries in Europe and the Americas, generating more than 60% of its revenue outside Spain in 2013. Abertis is listed on the Spanish stock markets and is part of the Ibex 35 index and the international FTSEurofirst 300 and Standard & Poor's Europe 350 indexes.

○ Sociedad General de Aguas de Barcelona, S.A. (24.1%)

Sociedad General de Aguas de Barcelona, S.A. (**Agbar**) is an international benchmark operator in the water and environmental services sector. With a total volume of assets of around EUR 5,650 million, it is the leading private operator in the water management business in Spain, supplying water to more than 1,000 municipalities. Globally, Agbar provides services to more than 26 million people in Spain, Chile, the UK, Colombia, Algeria, Cuba, Mexico, Peru, Brazil, Turkey and the US.

○ Saba Infraestructuras, S.A. (50.1%)

Saba Infraestructuras, S.A. (**Saba**) is a benchmark industrial operator in the management of car parks and logistics parks. With a presence in six countries, namely Spain, Italy, Chile, Portugal, France and Andorra, the Group manages more than 180,000 parking spaces in 327 car parks, following the Aena and Adif transactions. It also manages a network of eleven logistics parks which cover approximately 700 hectares and have a buildable area of almost 3 million square metres.

○ Mediterránea Beach & Golf Community, S.A. (100%)

Mediterránea Beach & Golf Community, S.A., is the owner of a 600,000 square metre developed land reserve and of the three-course Lumine Golf Club designed by Greg Norman and Alfonso Vidaor. Since 2010 the golf courses have been managed by Troon Golf, an international company with more than 20 years' experience and a proven track record in the management, development and marketing of top-level golf complexes.

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

Caixa Capital Risc S.G.E.C.R., S.A. (**Caixa Capital Risc**), the venture capital arm of the "la Caixa" Group, is a leading management investment fund that provides equity and participating loans to innovative companies in their early stages.

Caixa Capital Risc currently manages a capital of EUR 103 million, which it invests mainly in Spanish companies in the digital technologies, life sciences and industrial technologies fields.

Through four specialised vehicles it invests in the first rounds of funding (seed capital) and supports companies as they grow.

This management company comprises a team of professionals whose main activity is to identify, analyse, invest in and support innovative business projects in their early stages in Spain.

○ Vithas Sanidad, S.L. (20%)

Vithas Sanidad, S.L. currently has ten hospitals and a procurement platform (PlazaSalud24). Its ten hospitals are referral hospitals in their respective areas of influence (Alicante, Almería, Granada, Las Palmas de Gran Canaria, Lleida, Madrid, Málaga, Tenerife, Vigo and Vitoria-

Gasteiz) and treat privately-insured patients, as well as patients referred by the Spanish national health service, taking the view that the best healthcare is that which pools both private and public resources for the benefit of society as a whole.

Organisational structure

Criteria CaixaHolding is a wholly-owned subsidiary of "la Caixa". Appendixes I and II of Criteria CaixaHolding consolidated audited financial statements as of and for the year ended 31 December 2013 (which are incorporated by reference) lists Criteria CaixaHolding subsidiaries and, additionally, a table showing Criteria CaixaHolding's current organisational structure is provide in this Section (see "Spin Off in favour of Criteria CaixaHolding").

Trend information

Since 31 December 2013, the date of the last published audited financial statements, there have been no changes in Criteria CaixaHolding's prospects.

Administrative, management and supervisory bodies

The members of Criteria CaixaHolding's Board of Directors as at the date of this Prospectus are shown below:

| |
|-----------------------------------|
| Chairman |
| Isidre Fainé Casas |
| Deputy Chairman |
| Juan María Nin Génova |
| Directors |
| José Antonio Asiaín Ayala |
| Victoria Barber Willems |
| Montserrat Cabra Martorell |
| Jean-Louis Chaussade |
| Marcos Contreras Martínez |
| Monika de Habsburg Lothringen |
| Isabel Estapé Tous |
| Francisco Javier García Sanz |
| Josep-Delfí Guàrdia Canela |
| Heinrich Haasis |
| Francesc Homs Ferret |
| Mario López Martínez |
| Estefanía Judit Martín Puente |
| Miquel Noguer Planas |
| Justo Bienvenido Novella Martínez |
| Ana Robles Gordaliza |
| Josep Joan Simón Carreras |
| Josep Francesc Zaragoza Alba |
| Secretary (non director) |

Jose Antonio Alfonso Alepuz Sánchez

Deputy secretary (non director)

Adolfo Feijóo Rey

There are no other administrative, management and supervisory bodies.

Major shareholders

Criteria CaixaHolding is a wholly-owned subsidiary of "la Caixa".

Financial information concerning the company's assets and liabilities, financial position and profits and losses

○ Historical Financial Information

Criteria CaixaHolding's consolidated audited annual accounts as at and for the years ended 31 December 2013 and 31 December 2012 are incorporated by reference in this Prospectus (please see *Documents Incorporated by Reference*).

The auditor of Criteria CaixaHolding has expressed an unqualified opinion on the consolidated audited annual accounts as of and for each of the years ended 31 December 2013 and 2012.

○ Legal and arbitration proceedings

No government legal or arbitration proceedings are currently in progress that may have, or have in the last 12 months had, a significant impact on Criteria CaixaHolding or on its financial position and profitability.

○ Significant change in the company's financial or trading position

Since 31 December 2013, the date of the last consolidated audited financial statements, there have been no material change in Criteria CaixaHolding's financial or commercial position.

Documents on display

Criteria CaixaHolding consolidated audited statements for financial years 2013 and 2012, and its articles and memorandum of association are available for inspection at its registered office at Barcelona, Avenida Diagonal 621, 08028 and at the CNMV official registry.

Information about Criteria Post Spin Off

Upon execution of the Spin Off, all assets and liabilities of "la Caixa" (see *Description of the Issuer*) will be transferred to Criteria CaixaHolding (except for those related to the welfare projects), including, among other things, the issue of the Notes. Criteria Post Spin Off will therefore become the issuer of the Notes for all purposes.

From a corporate structure perspective, as of the date of this document there are no expected changes on the current composition of the Board of Directors for Criteria Post Spin Off.

Information on any change affecting the composition of the Board of Directors for Criteria Post Spin Off will be published on Criteria CaixaHolding's website (www.criteria.com) and, if appropriate, as a price-sensitive information notice (*hecho relevante*) affecting Criteria CaixaHolding which will be published and filed with the CNMV.

6.3 Consolidated pro forma financial information of Criteria Post Spin Off as of 31 December 2013.

Explanatory notes regarding the basis for preparing the consolidated pro forma balance sheet at 31 December 2013 and the consolidated pro forma income statement for the year ended 31 December 2013

This pro forma consolidated financial information has been prepared as part of the process relating to the Offering of the Notes by "la Caixa". This pro forma financial information includes, following the conversion of "la Caixa" into a banking foundation pursuant to Law 26/2013, of 27 December, all the corporate reorganisation transactions planned at the "la Caixa" Group so that, once these transactions completed, Criteria CaixaHolding will be subrogated to the Issuer's position. This Reorganisation was announced as a significant event on 10 April 2014.

Accordingly, with the sole purpose of providing financial information on how the Reorganisation may have affected the consolidated balance sheet and the consolidated income statement for the year ended 31 December 2013 of the group where the Issue will finally be located, i.e. the group of entities of which Criteria Post Spin Off will be its parent company, (the **Criteria Group**) this pro forma consolidated financial information was prepared to reflect the impact of the Spin Off.

The pro forma consolidated financial information was prepared in order to reflect a hypothetical situation envisaging the assumptions described below and, therefore, does not aim to represent the actual financial and equity position of the Criteria Group at 31 December 2013, or of its actual results for the year then ended.

The detail of the basis of preparation of the accompanying pro forma consolidated financial information defined by the Directors of Criteria CaixaHolding, including the information sources and assumptions used, are indicated in sections 6.3.1 and 6.3.2 below.

The consolidated carrying amounts of the assets and liabilities of the "la Caixa" Group that will form part of the Spin-off to the Criteria Group at 31 December 2013 are as follows:

- *Total spun-off assets and liabilities relating to the CaixaBank Group*

| <i>Thousands of euro</i> | |
|---|----------------------------------|
| Total CaixaBank Group assets | 340,190,477 (1) |
| Total CaixaBank Group liabilities | (315,856,705) (2) |
| Total equity spun off from the CaixaBank Group | 24,333,772 (3)= (1) + (2) |

- *Other assets spun off from the "la Caixa" Group not assigned to welfare projects.*

| <i>Thousands of euro</i> | |
|--|------------------|
| <i>Loans and advances to credit institutions</i> | 60,971 |
| <i>Loans and advances to customers</i> | 950,195 |
| <i>Hedging derivatives</i> | 484,424 |
| <i>Other interests</i> | 107 |
| <i>Tax assets</i> | 2,016 |
| <i>Other assets</i> | 78,020 |
| Other assets spun off to the Criteria Group | 1,575,733 |

| <i>Thousands of euro</i> | |
|--|-----------|
| <i>Financial liabilities held for trading</i> | 6,376 |
| <i>Financial liabilities at amortised cost</i> | 8,259,393 |
| <i>Hedging derivatives</i> | 34,081 |

| | |
|--|--------------------|
| <i>Provisions</i> | 7,115 |
| <i>Other liabilities</i> | 101,268 |
| Other liabilities spun off to the Criteria Group | 8,408,233 |
| Total equity spun off from the other assets and liabilities | (6,832,500) |

The total equity spun off from the "la Caixa" Group to the Criteria Group, disregarding the required pro forma adjustments detailed below in section 6.3.3 of this pro forma financial information, amounted to €17,501,272 thousand, according to the consolidated carrying amounts at 31 December 2013.

6.3.1 Basis and sources used for the preparation of the pro forma consolidated financial information

This pro forma consolidated financial information was presented taking into consideration the European Union provisions contained in Commission Regulation 809/2004, of 29 April 2004, and in the ESMA update of the CESR (Committee of European Securities Regulators) recommendations for the consistent implementation of this regulation (ESMA/2011/81), and the CNMV's report of February 2012 on criteria in relation to pro forma financial information.

The historical financial information used as the basis for compiling the pro forma consolidated financial information was as follows:

- (i) Audited consolidated financial statements of the Criteria Group for 2013, prepared by its directors in accordance with the accounting policies and measurement bases contained in the IFRS-EU. Audited by Deloitte on 27 March 2013 and expressing an unqualified audit opinion.
- (ii) Audited non-consolidated financial statements of "la Caixa" for 2013, prepared by its directors in accordance with the accounting principles and measurement bases contained in Bank of Spain Circular 4/2004, of 22 December and related amendments. Audited by Deloitte on 28 March 2013 and expressing an unqualified audit opinion.
- (iii) Audited consolidated financial statements of the "la Caixa" Group for 2013, prepared by its directors in accordance with the accounting principles and measurement bases contained in the IFRS-EU, taking into consideration the provisions of Bank of Spain Circular 4/2004, of 22 December and related amendments. Audited by Deloitte on 28 March 2013 and expressing an unqualified audit opinion.
- (iv) Audited consolidated financial statements of the CaixaBank Group for 2013, prepared by its directors in accordance with the accounting principles and measurement bases contained in the IFRS-EU, taking into consideration the provisions of Bank of Spain Circular 4/2004, of 22 December and related amendments. Audited by Deloitte on 28 March 2013 and expressing an unqualified audit opinion.

As a result of the Reorganisation, the banking business contributed to the Criteria Group will represent the main activity of the new consolidated group. Consequently, taking Rule One of Bank of Spain Circular 4/2004 as a reference, in the preparation of this pro forma financial information, the balance sheet was presented, with regard to the level of liquidity of the assets and liabilities, and the income statement, taking into consideration the financial statement formats contained in Bank of Spain Circular 4/2004, which adapts the IFRS-EU to the credit institution sector in Spain. In accordance with IAS 1, the financial information presented herein provides more reliable and more relevant information than that presented based on current and non-current criteria. Note 7 to this pro forma financial information presents the reclassifications made in the Criteria Group's audited consolidated financial statements in order to adapt them to the statements contained in the aforementioned Bank of Spain Circular.

For a correct interpretation of the pro forma consolidated balance sheet, the pro forma consolidated income statement and the sections of this document, they should be read in conjunction with the consolidated financial statements of the Criteria Group, the separate and consolidated financial statements of the "la Caixa" Group and the consolidated financial statements of the CaixaBank Group, for 2013 in all cases. The financial information relating to "la Caixa" and CaixaBank is publicly available on the CNMV's website. The financial information of the Criteria Group, once approved by its shareholders at the Annual General Meeting, will be submitted for filing at the Mercantile Registry and, accordingly, will be publicly available. Furthermore, this financial information will be available at the CNMV's central registry in Madrid, at Edison Street, 4, 28006, Madrid and Barcelona, at Passeig de Gràcia, 19, 08007, Barcelona and on Criteria CaixaHolding's website (www.criteria.com) since it will form part of the information included for reference purposes in the admission prospectus for the Notes.

For the preparation of this pro forma consolidated financial information, reference was made to the specific rules contained in section 2 of Recognition and Measurement Standard 21.^a (**Transactions between Group companies**) of the Spanish National Chart of Accounts, since the items are the subject of a business transaction. As a result of this consideration, both the Spin-off of the banking business of "la Caixa" to the Criteria Group and of the other assets and liabilities of "la Caixa" must be carried out at the carrying amount appearing in the consolidated financial statements of the "la Caixa" Group.

6.3.2 Assumptions used

It is expressly noted that, in the preparation of this pro forma consolidated financial information, estimates and assumptions were used, since they reflect a hypothetical situation, and, consequently, they neither can nor aim to represent the actual consolidated financial or equity position or actual consolidated results of the Criteria Group, or to project its financial position, the results or cash flows from its operations at a future date or period in the future.

Accordingly, in preparing the pro forma consolidated financial information of the Criteria Group for the year ended 31 December 2013, the following were taken into consideration:

- (a) The consolidated balance sheet of the Criteria Group at 31 December 2013, in which the necessary reclassifications were made beforehand to adapt it to the financial statement formats included in Bank of Spain Circular 4/2004, combined with the consolidated balance sheet of the CaixaBank Group at 31 December 2013 and with the other assets and liabilities spun off from the "la Caixa" Group other than those assigned to welfare projects.
- (b) The consolidated income statement of the Criteria Group for 2013, in which the necessary reclassifications were made beforehand in order to adapt it to the financial statement formats included in Bank of Spain Circular 4/2004, combined with the consolidated income statement of the CaixaBank Group for 2013 and with the income and expenses for 2013 associated with the other assets and liabilities relating to the Spin-off, as if the transaction had taken place on 1 January 2013.

Furthermore, in this pro forma financial information, the following were not taken into consideration:

- (a) The potential synergies and/or increase in costs that may arise from the reorganisation of the "la Caixa" Group.
- (b) The issuance by "la Caixa" of the Notes, for the purpose of which this Prospectus was prepared. Accordingly, the possibility to settle other liabilities issued by "la Caixa" employing the proceeds obtained from this Issue has not been taken into consideration.

6.3.3 Pro forma adjustments

The pro forma adjustments included in the pro forma consolidated financial information of the Criteria Group are presented as if the transaction had taken place on 31 December 2013 for balance sheet purposes and at 1 January 2013 for the purposes of the income statement.

Following is a detail of the explanatory notes to the pro forma adjustments that were made on the consolidated financial information of the Criteria Group for 2013:

(A) Elimination of debt instruments issued by the Criteria Group and fully subscribed by CaixaBank

On 28 June 2012, the Criteria Group issued 27 debentures of €50 million par value each, which were fully subscribed and paid in cash by CaixaBank for a total amount of €1,350,000 thousand.

At 31 December 2013, the Criteria Group had recognised this issue under "Financial Liabilities at Amortised Cost – Marketable Debt Securities" on the liability side of the consolidated balance sheet, together with the accrued interest payable, for a total amount of €1,383,345 thousand. In addition, CaixaBank recognised the same amount under "Loans and Receivables - Debt Instruments" on the asset side of the consolidated balance sheet at 31 December 2013.

As a result, a total amount of €1,383,345 thousand must be eliminated from "Loans and Receivables – Debt Instruments" and "Financial Liabilities at Amortised Cost – Marketable Debt Securities" on the asset and liability sides of the consolidated combined balance sheet of the Criteria Group at 31 December 2013.

Furthermore, in the preparation of the pro forma consolidated income statement for 2013, this adjustment was considered to have been recognised at 1 January 2013, which represents a reduction in income and expense in net interest income of €66,690 thousand.

(B) Elimination of the financing granted by "la Caixa" to the Criteria Group

On 20 November 2013 and 13 December 2013, "la Caixa" granted two loans to the Criteria Group amounting to €270,000 thousand and €280,000 thousand, respectively. Subsequently, on 24 December 2013, "la Caixa" granted a credit facility to Criteria CaixaHolding with a limit of €650,000 thousand, of which €400,000 thousand had been drawn down at 31 December 2013.

At 31 December 2013, "la Caixa" had recognised this financing under "Loans and Receivables – Loans and Advances to Customers" on the asset side of the consolidated balance sheet, together with the accrued interest receivable, for a total amount of €950,055 thousand. Also, the Criteria Group recognised the same amount under "Financial Liabilities at Amortised Cost – Deposits from Credit Institutions" amounting to €950,055 thousand, on the liability side of the consolidated balance sheet at 31 December 2013.

As a result, a total amount of €950,055 thousand must be eliminated from "Loans and Receivables – Loans and Advances to Customers" and "Financial Liabilities at Amortised Cost – Deposits from Credit Institutions" on the asset and liability sides of the consolidated combined balance sheet of the Criteria Group at 31 December 2013.

Furthermore, in the preparation of the pro forma consolidated income statement for 2013, this adjustment was considered to have been recognised at 1 January 2013, which represents a reduction in income and expense in net interest income of €1,104 thousand.

- (C) Elimination of the hedging derivatives held by "la Caixa" to hedge the fair value of its debt issues

At 31 December 2013, "la Caixa" held fair value hedging derivative contracts of two subordinated debt issues amounting to €484,424 thousand and €34,081 thousand, recognised under "Hedging Derivatives" on the asset and liability sides of the consolidated balance sheet, respectively, the counterparty of which is the CaixaBank Group.

As a result, the items classified as hedging derivatives spun off by "la Caixa" to the Criteria Group amounting to €18,505 thousand must be eliminated from the assets and liabilities on the balance sheet.

- (D) Elimination of the balances deposited by the Criteria Group at CaixaBank

At 31 December 2013, the Criteria Group held current accounts at CaixaBank classified under "Loans and Receivables – Loans and Advances to Credit Institutions" on the asset side of the consolidated balance sheet, together with the accrued interest receivable, for a total amount of €296,728 thousand. In addition, the CaixaBank Group had recognised the same amount under "Financial Liabilities at Amortised Cost – Customer Deposits" on the liability side of the consolidated balance sheet at 31 December 2013.

As a result, a total amount of €296,728 thousand must be eliminated from "Loans and Receivables – Loans and Advances to Credit Institutions" and "Financial Liabilities at Amortised Cost – Customer Deposits" on the asset and liability sides of the consolidated combined balance sheet of the Criteria Group at 31 December 2013.

Furthermore, in the preparation of the pro forma consolidated income statement for 2013, this adjustment was considered to have been recognised at 1 January 2013, which represents a reduction in income and expense in net interest income of €1,854 thousand.

- (E) Elimination of the financing granted by CaixaBank to Criteria

At 31 December 2013, the Criteria Group held financing granted by the CaixaBank Group amounting to €416,535 thousand, which it had recognised under "Financial Liabilities at Amortised Cost – Deposits from Credit Institutions" on the liability side of the consolidated balance sheet at 31 December 2013. In addition, the CaixaBank Group recognised the same amount under "Loans and Receivables – Loans and Advances to Customers" on the asset side of the consolidated balance sheet at 31 December 2013.

As a result, a total amount of €416,535 thousand must be eliminated from "Loans and Receivables – Loans and Advances to Customers" and "Financial Liabilities at Amortised Cost" on the asset and liability sides of the consolidated combined balance sheet of the Criteria Group at 31 December 2013.

Furthermore, in the preparation of the pro forma consolidated income statement for 2013, this adjustment was considered to have been recognised at 1 January 2013, which represents a reduction in income and expense in net interest income of €63,609 thousand.

- (F) Reclassification of the derivative associated with the issue of bonds exchangeable for CaixaBank shares

The liabilities issued by "la Caixa" and spun off by it to Criteria Post Spin Off include an issue of bonds exchangeable for CaixaBank shares amounting to €750 million. This issue was recognised in the separate balance sheet of "la Caixa" as a financial liability. The embedded derivative was recognised separately. In view of its nature, at consolidated "la Caixa" Group

level, this financial instrument was classified as a compound equity instrument with a liability component and an equity component.

Therefore, in the Criteria Group's consolidated pro forma balance sheet at 31 December 2013, the overall amount recognised in "Financial Liabilities Held for Trading" and "Other Liabilities" on the liability side of the balance sheet of "la Caixa", amounting to €6,376 thousand and €42,702 thousand, respectively, were reclassified as increases in "Equity – Reserves".

(G) Deferred tax assets and liabilities arising from intra-Group transactions

As a result of certain transactions between companies of the "la Caixa" Group carried out mainly as part of the prior reorganisation process of the Group whereby certain ownership interests, mainly in Abertis and Gas Natural, were transferred, generating temporary differences that gave rise to the recognition of certain deferred tax assets and liabilities at the CaixaBank Group. These deferred taxes do not appear in the consolidated financial statements of the "la Caixa" Group since said transactions did not take place from a Group perspective.

As part of the Spin-off of CaixaBank to Criteria Post Spin Off, taking into consideration that this is carried out using the carrying amounts of the assets and liabilities appearing in the consolidated financial statements of the "la Caixa" Group at 31 December 2013, as established by the accounting framework of Recognition and Measurement Standard 21^a of the Spanish National Chart of Accounts for transactions between companies of the same group, in the recognition of the assets and liabilities of the CaixaBank Group at the Criteria Group these deferred taxes were not disclosed and, accordingly, they were reversed as a higher amount of assets spun off to the Criteria Group. These deferred tax assets and liabilities amounted to €171,111 thousand and €24,169 thousand, respectively, its net effect being the impact on equity.

Furthermore, in the preparation of the pro forma consolidated income statement for 2013, this adjustment was considered to have been recognised at 1 January 2013, which represents an increase in the income tax expense associated with sales made in 2013 by the Criteria Group amounting to €37,105 thousand.

In addition, as a consequence of other minor pro forma adjustments, deferred tax assets increased by €4,316 thousand.

(H) Capital increase

The Spin-off will be carried out through the non-monetary contribution of a maximum amount of €2,880,990 thousand, of which "la Caixa" will subscribe up to 10,890,584 Criteria Post Spin Off's shares, of €40 par value each, and the remainder will be share premium. Following the Spin-off, "la Caixa" will continue to own 100% of Criteria Post Spin Off.

The pro forma adjustment reflects an increase in the share capital amounting to €435,623 thousand, relating to the par value of the new Criteria Post Spin Off shares issued (this relates to 10,890,584 shares of Criteria's new issue at €40 par value each), and an increase in share premium amounting to €2,445,367 thousand relating to the difference between the value of the capital increase and the par value of the new shares issued. These adjustments were recognised with a credit to "Shareholders' Equity – Share Capital or Endowment Fund" and "Shareholders' Equity - Reserves" in the accompanying pro forma balance sheet. The portion of the increase in equity attributable to the non-controlling interests of CaixaBank was reclassified as such under "Non-Controlling Interests" in the amount of €7,733,431 thousand.

Also, the portion of CaixaBank's profit (loss) attributable to non-controlling interests was reclassified as such in the Criteria Group's pro forma consolidated financial statements.

(I) Reclassifications of equity

At 31 December 2013, CaixaBank held certain financial instruments issued for €1,938,222 thousand that are mandatorily convertible into CaixaBank shares and that, due to their nature, are classified as equity instruments.

In the Criteria Group's consolidated combined balance sheet at 31 December 2013, in view of their characteristics, these equity instruments were allocated in full to non-controlling interests.

Furthermore, in the preparation of Criteria Post Spin Off's pro forma consolidated balance sheet at 31 December 2013, the balances relating to the valuation adjustments appearing in CaixaBank's consolidated balance sheet in relation to unrealised gains and losses at that date, referring to non-controlling interests in the amount of €250,810 thousand, were reclassified to "Shareholders' Equity – Reserves".

(J) Elimination of equity items of CaixaBank

The balances at 31 December 2013 relating to the share capital, share premium, treasury shares, profit (loss) for the period and dividends of CaixaBank were reclassified to "Shareholders' Equity – Reserves".

(K) Other adjustments in the pro forma consolidated income statement

In addition to the pro forma adjustments indicated in the preceding sections as a result of the pro forma adjustments made on the pro forma consolidated balance sheet of Criteria Post Spin Off at 31 December 2013, as if they had taken place on 1 January 2013, the following adjustments were also made to the pro forma income statement of Criteria Post Spin Off for 2013.

(L) Elimination of dividend income

This relates to the elimination of dividends received by "la Caixa" in 2013 from CaixaBank, amounting to €91,939 thousand, which formed part of the income from assets spun off to Criteria Post Spin Off.

(M) Elimination of other operating and administrative income and expenses

Certain operating and administrative income and expenses between Group companies were eliminated, particularly those arising from the management of property assets in the months of 2013 prior to the sale of 51% of the property asset management business to Texas Pacific Group (TPG).

(N) Elimination of the gains on disposal of shares of CaixaBank

The gain recognised in the separate income statement of "la Caixa" in 2013 amounting to €21,666 thousand relating to the sale of 5.26% of CaixaBank was eliminated. In accordance with the accounting regulations applicable to the pro forma consolidated financial statements of the Criteria Group, it was recognised in equity since it relates to a sale transaction with non-controlling interests.

6.3.4 Reconciliation of Equity

The following table shows the items comprising the pro forma consolidated equity of the Criteria Group at 31 December 2013:

| | <i>Thousands of euros</i> |
|--|---------------------------|
| Previous consolidated equity of the Criteria Group | 9,191,704 |
| Increase in equity as a result of the non-monetary contribution | 17,501,272 |
| <i>Net consolidated assets of CaixaBank</i> | 24,333,772 |
| <i>Other assets spun off at consolidated carrying amount at the "la Caixa" Group</i> | 1,575,733 |
| <i>Other liabilities spun off at consolidated carrying amount at the "la Caixa"</i> | (8,408,233) |
| Other pro forma adjustments | 392,062 |
| <i>Elimination of net deferred tax liabilities (Note 5.7)</i> | 353,058 |
| <i>Reclassification of financial liabilities to equity instruments (Note 5.6)</i> | 49,078 |
| <i>Other adjustments</i> | (10,074) |
| Pro forma consolidated equity of the Criteria Group | 27,085,038 |

The following table shows the reconciliation in Criteria Group reserves as of 31 December 2013:

| | <i>Thousands of euro</i> |
|--|--------------------------|
| Previous consolidated reserves of the Criteria Group | 7,172,121 |
| Net consolidated assets of CaixaBank | 24,333,772 |
| Net assets spun off at consolidated carrying amount at the "la Caixa" Group | (6,832,500) |
| <i>Other assets spun off at consolidated carrying amount at the "la Caixa" Group</i> | 1,575,733 |
| <i>Other liabilities spun off at consolidated carrying amount at the "la Caixa"</i> | (8,408,233) |
| Other pro forma adjustments | 392,062 |
| Capital increase | (2,880,990) |
| Valuation adjustments | (704,013) |
| Contributed equity attributable to non-controlling interests | (9,655,727) |
| Net increase in consolidated reserves | 4,652,604 |
| Pro forma consolidated reserves of the Criteria Group | 11,824,725 |

| | |
|--|------------------|
| Net increase in consolidated reserves | 4,652,604 |
| Elimination of CaixaBank reserves | (5,649,317) |
| Difference | (996,713) |

6.3.5 Reconciliation of the financial statements under IFRS-EU to the Circular

As indicated above, following is a detail of the reclassifications that were made to the consolidated balance sheet and consolidated income statement, of the historical financial information of the Criteria Group for 2013, in order to be adapted beforehand to the financial statement formats contained in Bank of Spain Circular 4/2004 with regard to both the balance sheet and the income statement.

CONSOLIDATED BALANCE SHEET
as of 31 December 2013, thousand of euros

ORIGINAL PRESENTATION PREPARED BY CRITERIA DIRECTORS

"NEW CRITERIA" PRESENTATION

| | 31/12/2013 | |
|---|-------------------|-------|
| NON-CURRENT ASSETS | | |
| Goodwill and other intangible assets | 746,916 | a |
| Property, plant and equipment | 116,214 | b |
| Investment property | 1,170,945 | c |
| Investments accounted for using the equity method | 7,278,655 | d |
| Financial assets | 41,986 | e / f |
| Deferred tax assets | 1,063,533 | g |
| Total non-current assets | 10,418,249 | |
| CURRENT ASSETS | | |
| Inventories | 798,372 | h |
| Current financial assets | 104,581 | f |
| Non-current assets classified as held for sale | 1,243,924 | i |
| Other current assets | 153,001 | |
| Tax assets | 17,239 | j |
| Dividends receivable | 135,762 | h |
| Cash and cash equivalents | 372,941 | f |
| Total current assets | 2,672,819 | |
| Total assets | 13,091,068 | |

| | 31/12/2013 | |
|---|-------------------|-------|
| Cash and balances with central banks | 1,459 | f |
| Financial assets held for trading | - | |
| Other financial assets at fair value through profit or loss | - | |
| Available-for-sale financial assets | 15,084 | e |
| Loans and receivables | 502,232 | f |
| Held-to-maturity investments | - | |
| Changes in the fair value of hedged items in portfolio hedges of interest rate risk | - | |
| Hedging derivatives | 733 | f |
| Non-current assets held for sale | 1,243,924 | i |
| Investments | 7,278,655 | d |
| Associates | 2,070,978 | |
| Jointly controlled entities | 5,207,677 | |
| Insurance contracts linked to pensions | - | |
| Reinsurance Assets | - | |
| Tangible assets | 1,287,159 | b / c |
| Intangible assets | 746,916 | a |
| Goodwill | 901 | |
| Other intangible assets | 746,015 | |
| Tax assets | 1,080,772 | j / g |
| Other assets | 934,134 | h |
| Total assets | 13,091,068 | |

CONSOLIDATED BALANCE SHEET
as of 31 December 2013, thousand of euros

ORIGINAL PRESENTATION PREPARED BY CRITERIA DIRECTORS

"NEW CRITERIA" PRESENTATION

| | 31/12/2013 | |
|---|-------------------|-------|
| EQUITY | | |
| Share capital, reserves and profit | 8,944,345 | a |
| Share capital | 1,381,520 | |
| Reserves | 7,172,121 | |
| Profit attributable to the Group | 471,704 | |
| Interim dividend paid | (81,000) | |
| Valuation adjustments | (128,106) | b |
| Non-controlling interests | 375,465 | c |
| Total equity | 9,191,704 | |
| NON-CURRENT LIABILITIES | | |
| Provisions for insurance contracts and other provisions | 172,988 | d |
| Long-term payables | 3,066,178 | e |
| Deferred tax liabilities | 346,540 | f |
| Other non-current liabilities | 28,868 | e / g |
| Total non-current liabilities | 3,614,574 | |
| CURRENT LIABILITIES | | |
| Financial liabilities at amortised cost | 251,701 | e |
| Derivatives | 48 | g |
| Tax liabilities | 8,906 | h |
| Deferred income | 17,097 | i |
| Other current liabilities | 7,038 | i |
| Total current liabilities | 284,790 | |
| Total equity and liabilities | 13,091,068 | |

| | 31/12/2013 | |
|---|-------------------|-------|
| LIABILITIES | | |
| Financial liabilities held for trading | - | |
| Other financial liabilities at fair value through profit or loss | - | |
| Financial liabilities at amortised cost | 3,333,013 | e |
| Changes in the fair value of hedged items in portfolio hedges of interest rate risk | - | |
| Hedging derivatives | 13,782 | g |
| Pasivos asociados con activos no corrientes en venta | - | |
| Liabilities under insurance contracts | - | |
| Provisions | 172,988 | d |
| Tax liabilities | 355,446 | f / h |
| Other liabilities | 24,135 | i |
| Total liabilities | 3,899,364 | |
| EQUITY | | |
| Shareholders' equity | 8,944,345 | a |
| Share capital or endowment fund | 1,381,520 | |
| Reserves | 7,172,121 | |
| Pro forma profit | 471,704 | |
| Less: dividends | (81,000) | |
| Valuation Adjustments | (128,106) | b |
| Non-controlling interests | 375,465 | c |
| Total equity | 9,191,704 | |
| Total equity and liabilities | 13,091,068 | |

CONSOLIDATED INCOME STATEMENT
for financial year 2013, thousand of euros

ORIGINAL PRESENTATION PREPARED BY CRITERIA DIRECTORS

"NEW CRITERIA" PRESENTATION

| | 2013 | | | 2013 | |
|---|------------------|-------|--|------------------|--------|
| Revenue | 349,415 | a | Interest and similar income | 11,640 | h |
| Result of companies accounted for using the equity method | 680,502 | b | Interest expense and similar charges | (162,273) | h |
| Gains (Losses) on financial assets and financial liabilities | 3,559 | c | NET INTEREST INCOME | (150,633) | |
| Gains (Losses) on transactions with Group companies, jointly controlled entities and associates | 204,891 | d | Return on equity instruments | - | |
| Staff costs | (74,767) | e | Share of profit/(loss) of entities accounted for using the equity method | 680,502 | b |
| Depreciation and amortisation charge | (73,065) | f | Fee and commission income | - | |
| Net impairment losses | (300,686) | (*) | Fee and commission expense | (2,132) | h |
| Other operating expenses | (168,109) | a | Gains/(losses) on financial assets and liabilities (net) | 3,559 | c |
| Provisions (net) | 205 | g | Exchange differences (net) | (281) | h |
| Other gains | 49,660 | (**) | Other operating income | 357,673 | a |
| Other losses | (70,125) | (***) | Other operating expenses | (165,322) | a |
| PROFIT FROM OPERATIONS | 601,480 | | GROSS INCOME | 723,366 | |
| Finance income | 11,871 | h | Administrative expenses | (89,966) | a / e |
| Finance costs | (164,916) | h | Depreciation and amortization | (73,065) | f |
| FINANCIAL LOSS | (153,045) | | Provisions (net) | 205 | g |
| PROFIT BEFORE TAX | 448,435 | | Impairment losses on financial assets (net) | (3,323) | o / p |
| Income tax | 44,288 | i | NET OPERATING INCOME (NET) | 557,217 | |
| PROFIT FROM CONTINUING OPERATIONS | 492,723 | | Impairment losses on other assets (net) | (104,498) | o |
| Profit from discontinued operations | - | | Gains/(losses) on disposal of assets not classified as non-current assets held for sale | 209,076 | (****) |
| CONSOLIDATED PROFIT FOR THE YEAR | 492,723 | | Negative goodwill in business combinations | - | |
| Profit attributable to non-controlling interests | (21,019) | j | Gains/(losses) on non-current assets held for sale not classified as discontinued operations | (213,361) | n |
| PROFIT ATTRIBUTABLE TO THE GROUP | 471,704 | | PROFIT / (LOSS) BEFORE TAX | 448,434 | |
| | | | Income tax | 44,288 | i |
| | | | PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS | 492,722 | |
| | | | Profit from discontinued operations (net) | - | |
| | | | CONSOLIDATED PROFIT FOR THE YEAR | 492,722 | |
| | | | Profit attributable to the Parent | 471,704 | |
| | | | Profit attributable to non-controlling interests | 21,019 | j |
| | | | | | |
| | | | Gains/(losses) on disposal of assets not classified as non-current assets held for sale | 209,076 | |
| (*) Net impairment losses | (300,686) | | Intangible assets | 3,351 | k |
| Investment property | (105,480) | o | Property, plant and equipment | 191 | l |
| Financial assets | (4,287) | p | Investment property | (1,292) | m |
| Non-current assets classified as held for sale | (192,865) | n | Investments in associates and group entities | 204,891 | d |
| Inventories | 986 | o | Other | 1,935 | a |
| Other | 960 | o | | | |
| (**) Other gains | 49,660 | | | | |
| Intangible assets | 17,458 | k | | | |
| Property, plant and equipment | 1,251 | l | | | |
| Investment property | 1,966 | m | | | |
| Non-current assets classified as held for sale | 18,140 | n | | | |
| Other | 10,845 | a | | | |
| (***) Other losses | (70,125) | | | | |
| Intangible assets | (14,107) | k | | | |
| Property, plant and equipment | (1,060) | l | | | |
| Investment property | (3,258) | m | | | |
| Non-current assets classified as held for sale | (38,636) | n | | | |
| Other | (13,064) | a | | | |

Note: These two presentation formats can be reconciled using the alphabet key accompanying each chapter. The sum of the amounts shown with a particular letter in the format prepared by the Directors is equivalent to the sum of the amounts shown with that same letter in the format used for the pro forma consolidated financial information. Additional breakdowns, indicated with asterisks, have been included where required.

CRITERIA GROUP
CONSOLIDATED PRO FORMA BALANCE SHEET AT 31 DECEMBER 2013

| In Thousands of Euros | Criteria CaixaHolding Group | Grupo CaixaBank | Other segregated assets and liabilities | Pro Forma Adjustments | Pro forma Criteria CaixaHolding Group | Section |
|---|-----------------------------|--------------------|---|-----------------------|---------------------------------------|-----------------------|
| Cash and balances with central banks | 1,459 | 6,967,808 | - | - | 6,969,267 | |
| Financial assets held for trading | - | 10,002,443 | - | - | 10,002,443 | |
| Other financial assets at fair value through profit or loss | - | 450,206 | - | - | 450,206 | |
| Available-for-sale financial assets | 15,084 | 56,450,038 | - | 366 | 56,465,488 | |
| Loans and receivables | 502,232 | 206,846,198 | 1,011,166 | (3,169,108) | 205,190,488 | 5.1, 5.2, 5.4 and 5.5 |
| Held-to-maturity investments | - | 17,830,752 | - | - | 17,830,752 | |
| Changes in the fair value of hedged items in portfolio hedges of interest rate risk | - | 80,001 | - | - | 80,001 | |
| Hedging derivatives | 733 | 4,572,762 | 484,424 | (522,334) | 4,535,585 | 5.3 |
| Non-current assets held for sale | 1,243,924 | 6,214,572 | - | - | 7,458,496 | |
| Investments | 7,278,655 | 8,773,670 | 107 | - | 16,052,432 | |
| Associates | 2,070,978 | 7,612,488 | 107 | - | 9,683,573 | |
| Jointly controlled entities | 5,207,677 | 1,161,182 | - | - | 6,368,859 | |
| Group entities | - | - | - | - | - | |
| Insurance contracts linked to pensions | - | - | - | - | - | |
| Reinsurance Assets | - | 519,312 | - | - | 519,312 | |
| Tangible assets | 1,287,159 | 5,517,560 | - | - | 6,804,719 | |
| Intangible assets | 746,916 | 3,629,300 | - | - | 4,376,216 | |
| Goodwill | 901 | 3,047,216 | - | - | 3,048,117 | |
| Other intangible assets | 746,015 | 582,084 | - | - | 1,328,099 | |
| Tax assets | 1,080,772 | 9,598,655 | 2,016 | (166,795) | 10,514,648 | 5.7 |
| Other assets | 934,134 | 2,737,200 | 78,020 | (7,194) | 3,742,160 | |
| TOTAL ASSETS | 13,091,068 | 340,190,477 | 1,575,733 | (3,865,065) | 350,992,213 | |

CRITERIA GROUP
CONSOLIDATED PRO FORMA BALANCE SHEET AT 31 DECEMBER 2013

| In Thousands of Euros | Criteria CaixaHolding Group | Grupo CaixaBank | Other segregated assets and liabilities | Pro Forma Adjustments | Pro forma Criteria CaixaHolding Group | Section |
|--|-----------------------------|--------------------|---|-----------------------|---------------------------------------|-----------------------|
| Financial liabilities held for trading | - | 7,890,643 | 6,376 | (6,376) | 7,890,643 | 5.6 |
| Other financial liabilities at fair value through profit or loss | - | 1,252,065 | - | - | 1,252,065 | |
| Financial liabilities at amortised cost | 3,333,013 | 262,379,176 | 8,259,393 | (3,160,998) | 270,810,584 | 5.1, 5.2, 5.4 and 5.5 |
| Deposits from central banks | - | 20,049,617 | - | - | 20,049,617 | |
| Deposits from credit institutions | 1,744,848 | 21,182,596 | 60,971 | (1,424,038) | 21,564,377 | |
| Customer deposits | 104,501 | 175,161,631 | - | (364,526) | 174,901,606 | |
| Marketable debt securities | 1,383,345 | 37,938,304 | 745,768 | (1,383,345) | 38,684,072 | |
| Subordinated liabilities | - | 4,809,149 | 7,441,573 | 14,389 | 12,265,111 | |
| Other financial liabilities | 100,319 | 3,237,879 | 11,081 | (3,478) | 3,345,801 | |
| Changes in the fair value of hedged items in portfolio hedges of interest rate risk | - | 2,195,517 | - | - | 2,195,517 | |
| Hedging derivatives | 13,782 | 1,487,432 | 34,081 | (522,334) | 1,012,961 | 5.3 |
| Liabilities associated with non-current assets held for sale | - | - | - | - | - | |
| Liabilities under insurance contracts | - | 32,028,006 | - | - | 32,028,006 | |
| Provisions | 172,988 | 4,321,261 | 7,115 | - | 4,501,364 | |
| Provisions for pensions and similar obligations | 2,684 | 2,788,010 | 1,106 | - | 2,791,780 | |
| Provisions for taxes and other legal contingencies | - | 461,317 | 6,000 | - | 467,317 | |
| Provisions for contingent liabilities and commitments | - | 528,990 | - | - | 528,990 | |
| Other provisions | 170,324 | 542,944 | 9 | - | 713,277 | |
| Tax liabilities | 355,446 | 2,352,815 | - | (524,169) | 2,184,092 | 5.7 |
| Welfare fund | - | - | - | - | - | |
| Other liabilities | 24,135 | 1,949,790 | 101,268 | (43,250) | 2,031,943 | 5.6 |
| TOTAL LIABILITIES | 3,899,364 | 315,856,705 | 8,408,233 | (4,257,127) | 323,907,175 | |

| In Thousands of Euros | Criteria CaixaHolding Group | Grupo CaixaBank | Other segregated assets and liabilities | Pro Forma Adjustments | Pro forma Criteria CaixaHolding Group | Section |
|-------------------------------------|-----------------------------|--------------------|---|-----------------------|---------------------------------------|--------------|
| Shareholders' equity | 8,944,345 | 23,645,685 | - | (16,112,091) | 16,477,939 | |
| Share capital or endowment fund | 1,381,520 | 5,027,610 | - | (4,591,987) | 1,817,143 | 5.8 and 5.10 |
| Share premium | - | 10,583,008 | - | (8,137,641) | 2,445,367 | 5.8 and 5.10 |
| Reserves | 7,172,121 | 5,649,317 | - | (999,990) | 11,821,448 | 5.8 |
| Other financial instruments | - | 1,938,222 | - | (1,938,222) | - | 5.9 |
| Less: Treasury shares | - | (22,193) | - | 22,193 | - | 5.10 |
| Pro forma profit | 471,704 | 502,703 | - | (499,426) | 474,981 | 5.10 |
| Less: dividends | (81,000) | (32,982) | - | 32,982 | (81,000) | 5.10 |
| Valuation Adjustments | (128,106) | 704,013 | - | (250,810) | 325,097 | 5.9 |
| Available-for-sale financial assets | 2,416 | 994,706 | - | (354,371) | 642,751 | |
| Cash flow hedges | (5,966) | (4,724) | - | 1,683 | (9,007) | |
| Exchange differences | 179 | (66,421) | - | 23,663 | (42,579) | |
| Entities valued by equity method | (124,735) | (219,548) | - | 78,215 | (266,068) | |
| Non-controlling interests | 375,465 | (15,926) | - | 9,922,463 | 10,282,002 | 5.8 and 5.9 |
| TOTAL EQUITY | 9,191,704 | 24,333,772 | - | (6,440,438) | 27,085,038 | |
| TOTAL LIABILITIES AND EQUITY | 13,091,068 | 340,190,477 | 8,408,233 | (10,697,565) | 350,992,213 | |

CRITERIA GROUP
CONSOLIDATED PRO FORMA INCOME STATEMENT FOR 2013

| In Thousands of Euros | Criteria CaixaHolding Group | Grupo CaixaBank | Other segregated revenues and expenses | Pro Forma Adjustments | Pro forma Criteria CaixaHolding Group | Section |
|--|-----------------------------|--------------------|--|-----------------------|---------------------------------------|-----------------------|
| Interest and similar income | 11,640 | 9,300,809 | 1,139 | (134,012) | 9,179,576 | 5.1, 5.2, 5.4 and 5.5 |
| Interest expense and similar charges | (162,273) | (5,346,052) | (208,261) | 138,693 | (5,577,893) | 5.1, 5.2, 5.4 and 5.5 |
| NET INTEREST INCOME | (150,633) | 3,954,757 | (207,122) | 4,681 | 3,601,683 | |
| Return on equity instruments | - | 106,882 | 691,939 | (691,939) | 106,882 | 5.11.1 |
| Share of profit/(loss) of entities accounted for using the equity method | 680,502 | 338,838 | - | - | 1,019,340 | |
| Fee and commission income | - | 1,912,333 | 331 | (3,138) | 1,909,526 | |
| Fee and commission expense | (2,132) | (152,368) | (410) | 3,138 | (151,772) | |
| Gains/(losses) on financial assets and liabilities (net) | 3,559 | 674,311 | - | - | 677,870 | |
| Exchange differences (net) | (281) | 4,666 | - | - | 4,385 | |
| Other operating income | 357,673 | 972,905 | 9 | (150,615) | 1,179,972 | 5.11.2 |
| Other operating expenses | (165,322) | (1,180,568) | - | 78,194 | (1,267,696) | 5.11.2 |
| GROSS INCOME | 723,366 | 6,631,756 | 484,747 | (759,679) | 7,080,190 | |
| Administrative expenses | (89,966) | (4,365,655) | (26,348) | 31,437 | (4,450,532) | 5.11.2 |
| Depreciation and amortization | (73,065) | (419,882) | - | - | (492,947) | |
| Provisions (net) | 205 | (135,066) | (6,000) | - | (140,861) | |
| Impairment losses on financial assets (net) | (3,323) | (4,193,600) | - | - | (4,196,923) | |
| NET OPERATING INCOME (NET) | 557,217 | (2,482,447) | 452,399 | (728,242) | (2,201,073) | |
| Impairment losses on other assets (net) | (104,498) | (276,551) | - | - | (381,049) | |
| Gains/(losses) on disposal of assets not classified as non-current assets held for sale | 209,076 | 363,377 | 121,665 | (116,296) | 577,822 | 5.11.3 |
| Negative goodwill in business combinations | - | 2,289,074 | - | - | 2,289,074 | |
| Gains/(losses) on non-current assets held for sale not classified as discontinued operations | (213,361) | (606,303) | - | 35,613 | (784,051) | 5.11.3 |
| PROFIT / (LOSS) BEFORE TAX | 448,434 | (712,850) | 574,064 | (808,925) | (499,277) | |
| Income tax | 44,288 | 1,208,286 | 65,075 | (38,508) | 1,279,141 | 5.7 |
| PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS | 492,722 | 495,436 | 639,139 | (847,433) | 779,864 | |
| Profit from discontinued operations (net) | - | - | - | - | - | |
| CONSOLIDATED PROFIT FOR THE YEAR | 492,722 | 495,436 | 639,139 | (847,433) | 779,864 | |
| Profit attributable to non-controlling interests | (21,019) | 7,267 | - | (131,611) | (145,363) | 5.8 |
| PROFIT ATTRIBUTABLE TO THE PARENT | 471,703 | 502,703 | 639,139 | (979,044) | 634,501 | |

6.4 Pro Forma Financial Information Auditors Report

On 25 April 2014 Deloitte, S.L. issued a special report on the pro forma financial information contained herein which is transcribed verbatim below:

INDEPENDENT AUDITOR'S SPECIAL REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Board of Directors of Criteria CaixaHolding, S.A.U.:

We have performed our work on the pro forma consolidated financial information of Criteria CaixaHolding, S.A.U. ("Criteria") and subsidiaries ("the Criteria Group") prepared by the directors of Criteria, which comprise the pro forma consolidated balance sheet at 31 December 2013, the pro forma consolidated income statement for the year then ended and the explanatory notes thereto, as set out on Section 6.3 - Information about Criteria Post Spin Off- of the prospectus to be issued by Caixa d'Estalvis i Pensions de Barcelona "la Caixa". The applicable criteria on the basis of which the directors of Criteria have compiled the pro forma consolidated financial information, which are included in Note 4 to the aforementioned pro forma consolidated financial information, are those contained in European Commission Regulation (EC) No 809/2004 and in the ESMA update of the CESR Recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81).

The pro forma consolidated financial information has been compiled by the directors of Criteria to illustrate the impact that the spin-off by Caixa d'Estalvis i Pensions de Barcelona "la Caixa" to its investee Criteria, of its controlling interest in CaixaBank, S.A., of the debt instruments of which "la Caixa" is the issuer (together with the hedging derivatives and the valuation adjustments associated with these debt instruments) and the other assets and liabilities not assigned to the welfare projects of "la Caixa" ("the Spin-off") set out in Note 2 to the aforementioned pro forma consolidated financial information would have had on the consolidated balance sheet and consolidated income statement of the Criteria Group at 31 December 2013 and for the year then ended, as if the aforementioned Spin-off had taken place on 31 December 2013 and 1 January 2013, respectively. As indicated in Note 3 to the aforementioned pro forma consolidated financial information, the financial information used as the basis for compiling the pro forma consolidated financial information was extracted by the directors of Criteria on the basis of:

- (i) Audited consolidated financial statements of the Criteria Group for 2013, on which we issued our auditors' report on 27 March 2014 in which we expressed an unqualified opinion.
- (ii) Audited separate financial statements of "la Caixa" for 2013, on which we issued our auditors' report on 28 February 2014 in which we expressed an unqualified opinion.
- (iii) Audited consolidated financial statements of "la Caixa" and subsidiaries for 2013, on which we issued our auditors' report on 28 February 2014 in which we expressed an unqualified opinion.
- (iv) Audited consolidated financial statements of CaixaBank, S.A. and subsidiaries for 2013, on which we issued our auditors' report on 28 February 2014 in which we expressed an unqualified opinion.

The Directors' Responsibility for the Pro Forma Financial Information

The directors of Criteria are responsible for the compilation and content of the pro forma consolidated financial information pursuant to the requirements of European Commission Regulation (EC) No 809/2004 and the content of the ESMA update of the CESR Recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81). The directors of Criteria are also responsible for the assumptions and hypotheses included in Note 4 to the pro forma consolidated financial information, on which the pro forma adjustments are based.

Our responsibility

Our responsibility is to issue the report required in point 7 of Annex II of European Commission Regulation ((EC) Regulation No 809/2004), which under no circumstances may be considered to be an auditors' report on financial statements, about whether the pro forma consolidated financial information has been properly compiled, in all material respects, by the directors of Criteria on the basis of the requirements of European Commission Regulation No 809/2004 and the content of the ESMA update of the CESR Recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81) and with the assumptions and hypotheses defined by the directors of Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board, which requires compliance with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of Criteria have compiled, in all material respects, the pro forma consolidated financial information on the basis of the requirements of Regulation 809/2004 and the content of the ESMA update of the CESR Recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81) and the assumptions and hypotheses defined by the directors of Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, or expressing any opinion on the pro forma consolidated financial information or on the assumptions and hypotheses used in the preparation thereof, or on specific items or elements, nor have we performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of the pro forma consolidated financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on historical financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Since this pro forma consolidated financial information was prepared to reflect a hypothetical situation, it is not intended to represent and does not represent the Criteria Group's financial or equity position or the results of its operations. Accordingly, we do not provide any assurance as to whether the financial information that would have been obtained had the transaction described been undertaken at 31 December 2013 for the pro forma consolidated balance sheet and at 1 January 2013 for the pro forma consolidated income statement would correspond to the pro forma consolidated financial information as presented.

The objective of this type of report is to provide reasonable assurance on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria used in its preparation, and involves performing procedures to assess whether the applicable criteria used by the directors of Criteria in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma consolidated financial information reflects the proper application of those adjustments to the historical financial information; and

- The accounting criteria used by the directors of Criteria in the compilation of the pro forma consolidated financial information are consistent with the accounting standards and policies applied in the preparation of the consolidated financial statements of the Criteria Group at 31 December 2013.

The procedures performed by us depend on our professional judgment, having regard to our understanding of the nature of the company, the event or transaction in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances and events.

The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- The pro forma consolidated financial information has been properly compiled on the basis of the applicable criteria and the assumptions and hypotheses defined by the directors of Criteria.
- The accounting criteria used by the directors of Criteria in the compilation of the pro forma consolidated financial information is consistent with the accounting standards and policies applied in the preparation of the consolidated financial statements of the Criteria Group at 31 December 2013, considering the reclassifications explained in Notes 3 and 7 to the pro forma consolidated financial information to present the pro forma consolidated balance sheet and the pro forma consolidated income statement of the Criteria Group in accordance with the classification criteria of the formats published by the Bank of Spain for Credit Institutions.

This report was prepared at the request of the directors of Criteria in relation to the verification and registration of the prospectus relating to the issuance of senior notes by Caixa d'Estalvis i Pensions de Barcelona "la Caixa" and, therefore, it must not be used for any other purpose or in any other market, or published in any other document of a similar nature without our express consent. We will not accept any liability to persons other than the addressees of this report.

DELOITTE, S.L.



Francisco Ignacio Ambrós

25 April 2014

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

The issue of €1,000,000,000 2.375 per cent. Senior Unsecured Notes due 2019 (the **Notes**, which expression shall, unless otherwise indicated, include any further notes issued pursuant to Condition 15 (*Further Issues*) and consolidated and forming a single series with the Notes) was (save in respect of any such further Notes to be issued pursuant to Condition 15 (*Further Issues*)) authorised by Caja de Ahorros y Pensiones de Barcelona "la Caixa", having its registered office at Av. Diagonal, 621-629, 08028 Barcelona, Spain (the **Issuer**) pursuant to a resolution of its Board of Directors passed on 24 April 2014 (the **Issue Agreement Date**) on the basis of the authorisation granted by a resolution of the General Assembly of the Issuer passed on 27 June 2013.

An agency agreement (as amended and/or supplemented and/or restated from time to time) dated 30 April 2014 (the **Agency Agreement**) has been entered into in relation to the Notes between the Issuer and CaixaBank, S.A. having its registered office at Avenida Diagonal, 621, 08028 Barcelona, Spain (**CaixaBank**) as agent bank (the **Agent**, which expression shall include any additional or successor agent).

The Notes have the benefit of a deed of covenant dated 9 May 2014 (the **Deed of Covenant**) to which these terms and conditions are affixed. In the Deed of Covenant, the Issuer has covenanted in favour of each Holder (as defined below) that it will duly perform and comply with the obligations expressed to be undertaken by it in these Terms and Conditions (the **Conditions**). Copies of the Deed of Covenant are available for inspection during normal business hours at the specified office of the Agent. A certified copy of this Deed of Covenant may be obtained by any Holder from the Commissioner at its specified office at the expense of such Book-Entry Account Holder.

1. FORM, DENOMINATION AND TITLE

1.1. *Form and denomination*

The Notes have been issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in euro (the **Specified Currency**) in an aggregate nominal amount of €1,000,000,000 (the **Aggregate Nominal Amount**) and denomination of €100,000 and integral multiples of €100,000 in excess thereof (each, an **Authorised Denomination**).

1.2. *Registration, clearing and settlement*

The Notes have been registered with the Spanish *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear)* as managing entity of the central registry of the Spanish clearance and settlement system (the **Spanish Central Registry**). Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme, Luxembourg (**Clearstream Luxembourg**) with Iberclear.

Iberclear manages the settlement and clearing of the Notes, notwithstanding the Issuer's commitment to assist, when appropriate, on the clearing and settlement of the Notes through Euroclear and Clearstream Luxembourg.

The Spanish National Numbering Agency (*Agencia Nacional de Codificación de Valores Mobiliarios*), has assigned the following ISIN: ES0314970239, to identify the Notes.

1.3. Title and transfer

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

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

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

2. ISSUE AND MATURITY DATE

The Notes were issued on 9 May 2014 (the **Issue Date**) and will mature 5 years after the Issue Date, i.e. 9 May 2019 (the **Maturity Date**).

3. LISTING AND ADMISSION TO TRADING

The Issuer undertakes to make or cause to be made an application on its behalf for the Notes to be admitted to listing and admitted to trading on the Spanish AIAF Fixed Income Securities Market (**AIAF**), within 30 days after the Issue Date.

4. STATUS OF THE NOTES

The Notes constitute (subject to the provisions of Condition 5 (*Negative Pledge*)) 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 exceptions. Upon insolvency of the Issuer, the obligations of the Issuer under the Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the **Insolvency Law**) or equivalent legal provisions which replace it in the future).

In the event of insolvency (*concurso*) of the Issuer, under the Insolvency Law, claims relating to the Notes (which are not subordinated pursuant to article 92 of the Insolvency Law) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency state (*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, the accrual of interest shall be suspended as from the date of declaration of the insolvency of any Issuer. Interest on the Notes accrued but unpaid as of the

commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Insolvency Law.

5. NEGATIVE PLEDGE

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

In these Conditions:

Criteria CaixaHolding means Criteria CaixaHolding, S.A.U.;

Permitted Security Interest means:

(i) a Security Interest arising by operation of law; or

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

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

6. INTEREST

The Notes bear interest from the Issue Date at the rate of 2.375 per cent. per annum (the **Rate of Interest**) payable in arrears on 9 May in each year (each, an **Interest Payment Date**), subject as provided in Condition 7 (*Payments*). The Notes' indication of yield is that of 2.466 per cent per annum, which has been calculated at the Issue Date on the basis of the Issue Price and is not an indication of future yield.

Each Note will cease to bear interest from the due date for redemption unless upon the relevant redemption date payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be €2,375 in respect of each

Authorised Denomination. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the Day Count Fraction, calculated according to the Actual/Actual (ICMA) method, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:

In these Conditions:

Actual/Actual (ICMA) means in the case of the Notes, where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the **Accrual Period**) can only be shorter than the Regular Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Regular Period;

Calculation Amount means €100,000 per Note;

Day Count Fraction means the number obtained after applying the Actual/Actual (ICMA) method;

Issue Price means €9,577 per Note;

Regular Period means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

7. PAYMENTS

7.1. *Principal and Interest*

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

7.2. *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

7.3. *Payment Day*

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

In the Conditions:

Payment Day means any day (other than a Saturday or Sunday) which is a Business Day and which is a business day in the place of the specified office of the Agent;

Business Day means any day which the TARGET System is open for the settlement of payment in euro; and

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment (TARGET2) system which utilises a single shared platform and which was launched

on 19 November 2007.

7.4. *Fractions*

When making payments to Noteholders, 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 currency is to be made, such payment will be rounded to the nearest such unit, half a unit being rounded upwards.

8. REDEMPTION AND PURCHASE

8.1. *Redemption at maturity*

Unless previously redeemed or purchased and cancelled, the Notes shall be redeemed in euro at their Redemption Amount on the Maturity Date. The **Redemption Amount** in respect of each Note shall be €100,000.

8.2. *Redemption for tax reasons*

Provided that Noteholders do not exercise their right, as stated hereunder in this Condition 8.2, to elect that its Notes shall not be redeemed for tax reasons, the Notes may be redeemed at the option of the Issuer in whole, but not in part, if required, at any time on giving not less than 30 and not more than 60 days of notice (the **Tax Redemption Notice**) to the Agent and, in accordance with Condition 14 (*Notices*), to the Noteholders (which notice shall be irrevocable) on the date specified in the Tax Redemption Notice (the **Tax Redemption Date**), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*), in each case as a result of any change in, or amendment to, the laws or regulations of Spain or any political subdivision or any authority or agency thereof or therein, as defined in Condition 9 (*Taxation*), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Agreement Date; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

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

At least 15 days prior to the publication of a Tax Redemption Notice, the Issuer shall deliver to the Commissioner, as defined in Condition 13 (*Syndicate of Noteholders and Modification*), a certificate signed by any Director of the Issuer or any other person or persons notified in writing to the Commissioner and signed by any such Director as being authorised to sign the aforementioned certificate which will state that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

If the Issuer gives a notice of redemption pursuant to this Condition 8.2 (*Redemption and Purchase - Redemption for tax reasons*) each Noteholder will have the right to elect that its Notes shall not be redeemed and that the provisions of Condition 9 (*Taxation*) shall not apply in respect of any payment to be made on such Notes which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 (*Taxation*) and payment of all amounts on such Notes shall be made subject to the deduction or withholding of any Spanish taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of the Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of the

Agent on or before the day falling 10 days prior to the Tax Redemption Date.

Notes redeemed pursuant to this Condition 8.2 (*Redemption and Purchase - Redemption for tax reasons*) will be redeemed at their Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3. *Purchases*

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

8.4. *Cancellation*

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.3 (*Purchases*) above cannot be reissued or resold.

9. TAXATION

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

- (i) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Notes by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note;
- (ii) to a holder who is (or is deemed as) an entity or individual resident for tax purposes in a Tax Jurisdiction or acts (or is deemed as acting) with respect of the Notes through a permanent establishment located in a Tax Jurisdiction; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day, as defined in Condition 7.3 (*Payments – Payment Day*); or
- (iv) to, or to a third party on behalf of, a holder in respect of whom 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 Note to be made free and clear of withholding tax or deduction on account of any taxes imposed by a Tax Jurisdiction, including when the Issuer (or an agent acting on behalf of the Issuer) does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities; or
- (v) where are taxes imposed by a Taxing Jurisdiction that are (a) payable otherwise than by withholding from a payment under, or with respect to, the Notes; or (b) any estate, inheritance, gift, sales, transfer, personal property or similar taxes imposed by a Taxing Jurisdiction; or (c) solely due to the appointment by an investor in the Notes, or any person through which an investor holds Notes, of a custodian, collection agent, person or entity acting on behalf of the investor of the Notes or similar person in relation to such Notes; or
- (vi) where such withholding or deduction is imposed on a payment to an individual and is required

to be made 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; or

- (vii) any withholding or deduction required to be made from a payment from the Notes pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) (the **Code**), any current or future regulations or official interpretations thereof, any law or regulations adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to section 1471(b) of the Code; or
- (viii) any combination of items (i) through (vii) above

As used herein:

- (i) **Tax Jurisdiction** means Spain or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which any payment of principal or interest in respect of the Notes first becomes due, except that, if the full amount of the money payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

10. PRESCRIPTION

Claims in respect of the principal amount or interest on Notes will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date, as defined in Condition 9 (*Taxation*).

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

11. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall occur and continue:

- (A) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or
- (B) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or as the case may be, the Agency Agreement, or as the case may be, the Deed of Covenant, and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or
- (C) **Cross-default of Issuer or Relevant Subsidiary:**
 - (i) any Indebtedness for Borrowed Money of the Issuer or any of its Relevant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or
 - (ii) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the Relevant Subsidiaries or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness for Borrowed Money,

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

- (D) **Winding up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Relevant Subsidiary and such order or resolution is not discharged or cancelled within 30 days, or the Issuer or any Relevant Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation either (i) on terms previously approved by a resolution of the Syndicate of Noteholders or (ii) is on a solvent basis or (iii) where in the case of a reconstruction, amalgamation, reorganisation, merger or consolidation of the Issuer (or of Criteria CaixaHolding after the Spin Off), the surviving entity has a rating for long-term senior debt assigned by one of the rating agencies equivalent to or higher than the long-term senior debt of the Issuer (or of Criteria CaixaHolding after the Spin Off) prior to such reconstruction, amalgamation, reorganisation, merger or consolidation, except where (a) there is a downgrading due to a change in the valuation methodology of the Issuer (or of Criteria CaixaHolding after the Spin Off) by such rating agency as a consequence of such reconstruction, amalgamation, reorganisation, merger or consolidation, or (b) after the downgrading the surviving entity has a rating for a long term senior debt equivalent or higher of the long term rating, of the Issuer (or of Criteria CaixaHolding after the Spin Off) at the Issue Date; and effectively assumes the entire obligations of the Issuer (or of Criteria CaixaHolding after the Spin Off) under the Notes; or (c) the Issuer (or Criteria CaixaHolding after the Spin Off) is substituted according to Condition 16; or
- (E) **Enforcement and Insolvency proceedings:** (i) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against it or an order is made or a resolution is passed for the dissolution or winding up of the Issuer, and in respect of any of the Issuer's Relevant Subsidiaries, proceedings are initiated against any such Relevant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (unless the exception stated in the aforementioned Condition 11 (D) applies); or (ii) an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); or (iii) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); and in any case the event or events mentioned in this Condition 11 (E) is or are not discharged within 30 days; or
- (F) **Unsatisfied judgment:** one or more final judgment(s) or order(s) for the payment of any amount which individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Relevant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (G) **Security enforced:** any Security Interest created or assumed by the Issuer or any of its Relevant Subsidiaries becomes enforceable and any steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) provided that the Indebtedness for Borrowed Money to which such Security Interest relates either individually or in aggregate exceeds € 50,000,000 (or its equivalent in any other currency or currencies); or
- (H) **Arrangements with creditors:** the Issuer (or any of its Relevant Subsidiaries) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency,

composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or

- (I) **Failure to take action etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes is not taken, fulfilled or done, save to the extent that any lack of such action would not be material in the context of the issue of, and performance of the Issuer's obligations under the Notes; or
- (J) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

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

When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: **materially weaker** shall mean that Fitch Ratings España, S.A.U. modifies at least by three lower notches the rating previously applied to the Issuer.

For the purpose of this Condition 11 (*Events of default*):

Days mean calendar days;

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

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

For this purpose:

- (a) subject to paragraph (b) below:
 - (i) the non-consolidated total assets and non-consolidated profits before tax of a Subsidiary of the Issuer will be determined from its latest non-consolidated financial statements; and
 - (ii) the non-consolidated total assets and 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 and 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 and 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) a Subsidiary which is or becomes a Relevant Subsidiary will remain a Relevant Subsidiary until the next audited non-consolidated financial statements of the Issuer show otherwise under paragraph (a) above;

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

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

12. PAYING AGENT

The name of the initial Paying Agent and its initial specified offices are set out below:

- **CaixaBank, S.A.**, having its registered office at Avenida Diagonal, 621, 08028 Barcelona, Spain.

The Issuer is entitled to vary or terminate the appointment with the Agent, in its role of paying agent, and/or appoint additional or other paying agents (the **Paying Agents**) and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) there will at all times be a Paying Agent;
- (ii) so long as the Notes are listed on any secondary market, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant secondary market; and
- (iii) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any variation, termination, appointment or change regarding the Paying Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency or trust, with any Noteholders. The Agency Agreement contains provisions permitting any entity into which the Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. SYNDICATE OF NOTEHOLDERS AND MODIFICATION

13.1. *Syndicate of Noteholders*

The Noteholders shall meet in accordance with the regulations governing the Syndicate of Noteholders (the **Regulations**). The Regulations shall contain the rules governing the functioning of the Syndicate and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 19 (*Regulations of the Syndicate of Noteholders*).

Bondholders, S.L., has been appointed as temporary Commissioner for the Syndicate. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have agreed to: (i) the appointment of the temporary Commissioner; and (ii) become a member of the Syndicate of Noteholders. Upon the subscription of the Notes, the temporary Commissioner will call a general meeting of the Syndicate of Noteholders to ratify or reject its acts, confirm its appointment or appoint a substitute Commissioner for it and to ratify the Regulations.

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

Every Noteholder shall be deemed to have granted full power and authority to the Agent with respect to act as its proxy to vote at the first meeting of the Syndicate of Noteholders in favour of ratifying the Regulations, the designation and appointment of the Commissioner of the Syndicate of Noteholders and the actions of the Commissioner performed prior to such first meeting of the Syndicate of Noteholders.

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

For the purposes of these Conditions,

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

In accordance with Spanish law article 425 of the Spanish Companies Act, a general meeting of the Syndicate of the Noteholders shall be validly constituted upon first being convened provided that the Noteholders holding or representing two-thirds of the Notes 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 validly constituted regardless of the number of the Noteholders who attend. A resolution shall be passed by the Noteholders holding an absolute majority in principal amount of Notes present or duly represented at any properly constituted meeting.

13.2. *Notification to the Noteholders*

Any modification, waiver or authorisation in accordance with this Condition 13 (*Syndicate of Noteholders and Modification*) shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (*Notices*).

14. NOTICES

14.1. *Notice to Noteholders*

So long as the Notes are listed on AIAF, notices to the Noteholders will be published in the *Boletín de Cotización de AIAF* (the official bulletin of AIAF). Any such notice will be deemed to have been given on the date of the first publication. In addition, so long as the Notes are represented by book-entries, all notices to Noteholders shall be made through Iberclear for on transmission to their respective accountholders.

14.2. *Notice of a General Meeting of the Syndicate of Noteholders*

Notice of a general meeting of the Syndicate of Noteholders must be given in accordance with the Regulations. A set of Regulations is included in Condition 19 (*Regulations of the Syndicate of Noteholders*).

14.3. *Notice to Commissioners*

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

15. FURTHER ISSUES

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

16. SUBSTITUTION OF THE ISSUER

16.1. *Substitution under the Spin Off*

- (A) By subscribing the Notes investors acknowledge that the substitution of the Issuer may take place according to the procedures of this Condition 16.1 without the approval of a resolution by the Syndicate of Noteholders being needed.
- (B) Upon the Spin Off Effective Date, the Issuer shall, without the further consent of the Noteholders, be replaced and substituted by Criteria CaixaHolding, as the principal debtor in respect of the Notes provided that on or prior to the Spin Off Effective Date:
 - (i) Criteria CaixaHolding has entered into a deed poll (for the purpose of this Condition 16.1; the **Deed Poll**) where it expressly accepts the substitution pursuant to this Condition 16.1 and in which it undertakes in favour of each Noteholder as of the Spin Off Effective Date to be bound by the Deed of Covenant and these Conditions (other than, in the context of this substitution, Condition 16.2) as principal debtor in respect of the Notes as if it were the original issuer of the Notes;
 - (ii) Criteria CaixaHolding has warranted and represented in the Deed Poll as of the Spin Off Effective Date that:
 - (a) Criteria CaixaHolding and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by each of Criteria CaixaHolding and the Issuer of their respective obligations under the Deed Poll and that all such approvals and consents are in full force and effect;
 - (b) the substitution complies with all applicable requirements established under the applicable laws;
 - (c) the Notes will continue to be listed on each stock exchange on which the Notes

were listed before this substitution;

- (d) CaixaBank London will continue to act on behalf of Criteria CaixaHolding as the Process Agent in connection with any Proceedings as stated in Condition 18.3 (*Appointment of Process Agent*); and
- (C) For the purposes of this Condition 16.1, the **Spin Off Effective Date** shall mean the date when the substitution shall become effective, i.e., the date in which the Spin Off is registered with the Commercial Registry of Barcelona.
- (D) Upon the Spin Off Effective Date and without any further actions or consents, Criteria CaixaHolding shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, the Deed of Covenant and the Agency Agreement with the same effect as if Criteria CaixaHolding had been named as the principal debtor in place of the Issuer herein, and the Issuer shall, upon the Spin Off Effective Date, be released from its obligations and liabilities under the Notes, the Deed of Covenant and the Agency Agreement.
- (E) Nothing in this Condition 16.1 shall preclude the Issuer, Criteria CaixaHolding or the Agent from entering into any other agreement or arrangement of any kind which Criteria CaixaHolding considers necessary or desirable under this Condition 16.1 to effect the substitution.
- (F) The Deed Poll shall be delivered to, and kept by, the Commissioner for so long as any Notes remain outstanding and for so long as any claim made against Criteria CaixaHolding by any Noteholder in relation to the Notes or the Deed Poll shall not have been finally adjudicated or settled or discharged. Copies of the Deed Poll will be available free of charge at the specified office of the Commissioner.
- (G) No later than 15 Business Days after the Spin Off Effective Date, Criteria CaixaHolding shall give notice thereof to the Noteholders of the substitution under this Condition 16.1 in accordance with Condition 14 (Notices).
- (H) After a substitution pursuant to Condition 16.1, Criteria CaixaHolding may, without the further consent of any Noteholder, effect a further substitution in accordance with the provisions of Condition 16.2 and all the provisions specified in Conditions 16.2 7(A) and 16.2(B) shall apply, *mutatis mutandis*.

In these Conditions:

Spin Off means the partial spin off (*segregación*) of the Issuer and contribution to Criteria CaixaHolding of, among other assets and liabilities, (a) the Issuer's shareholding in CaixaBank, so that the banking foundation holds its shareholding in CaixaBank through Criteria CaixaHolding, and (b) the Notes, which is expected to be approved by the Issuer after its conversion into a banking foundation (*fundación bancaria*) in accordance with the Spanish Law on Savings Banks and Foundations of 27 December 2013. Further information regarding this Spin Off is provided under Section 6 (*Foundation Process and Reorganisation*) of this Prospectus.

16.2. *Substitution of the Issuer by a Subsidiary*

- (A) Without prejudice to Condition 16.1 above, the Issuer (or any substitute thereof in accordance hereto, and any reference in this Condition to the Issuer shall include a reference to any substitute thereof in accordance hereto) may, without the further consent of the Noteholders, be replaced and substituted by a wholly owned Subsidiary (either directly or indirectly) of the Issuer as the principal debtor in respect of the Notes (for the purpose of this Condition 16.2; the **Substitute Debtor**), provided that:

- (i) the Issuer is not in default in respect of any amount payable under the Notes;
- (ii) the Substitute Debtor has entered into a deed poll and such other documents (for the purpose of this Condition 16.2; the **Documents**) as are necessary to give effect to the substitution and in which the Substitute Debtor has undertaken in favour of each Noteholder of the Notes to be bound by the Deed of Covenant and these Conditions and the provisions of the Agency Agreement as the principal debtor in respect of the Notes as if it were the original issuer of the Notes;
- (iii) the obligations of the Substitute Debtor under the Deed Poll and the Notes have been unconditionally and irrevocably guaranteed by the Issuer by means of a deed of guarantee (the **New Guarantee**);
- (iv) if the Substitute Debtor is resident for tax purposes in a territory (for the purpose of this Condition 16.2; the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (for the purpose of this Condition 16.2; the **Former Residence**), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking equivalent to that in Condition 9 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence. The Documents also contain a covenant by the Substitute Debtor and the Issuer to indemnify and hold harmless each Noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such Noteholder as a result of any substitution pursuant to this Condition 16 (*Substitution of the Issuer*) and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (v) the Documents contain a warranty and representation by the Substitute Debtor and the Issuer that (x) the Substitute Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the giving by the Issuer of the New Guarantee in respect of the obligations of the Substitute Debtor and for the performance by each of the Substitute Debtors and the Issuer of their respective obligations under the Documents and that all such approvals and consents are in full force and effect and (y) the substitution complies with all applicable requirements established under the applicable laws;
- (vi) each stock exchange on which the Notes are listed has, expressly or implicitly, confirmed that, following the proposed substitution of the Substitute Debtor, the Notes will continue to be listed on such stock exchange (or the Substitute Debtor is otherwise satisfied of the same);
- (vii) a legal opinion shall have been delivered to the Commissioner (from whom copies will be available) from lawyers of recognized standing in the country of incorporation of the Substitute Debtor, confirming, as appropriate, that upon the substitution taking place the Notes are legal, valid and binding obligations of the Substitute Debtor enforceable in accordance with their terms;
- (viii) a legal opinion shall have been delivered to the Commissioner (from whom copies

will be available) from lawyers of recognized standing in England that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substitute Debtor) constitute legal, valid and binding obligations of the parties thereto under English law;

- (ix) any rating agency which has issued a rating in connection with the Notes shall have indicated that following the proposed substitution of the Issuer (or any substitute, as aforesaid), the credit rating of the Notes shall either (1) remain equivalent or higher with respect to the rating of the Notes immediately prior to such proposed substitution, or (2) either (I) decrease by no more than three notches or (II) decrease to a rating level that is equal to the rating of the Notes on the Issue Date, whichever rating level in (I) or (II) is higher; and
 - (x) if applicable, the Substitute Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and the Documents.
- (B) Upon the execution of the Documents and the delivery of the legal opinions, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, the Deed of Covenant and the Agency Agreement with the same effect as if the Substitute Debtor had been named as the principal debtor in place of the Issuer herein, and the Issuer shall, upon the execution of the Documents, be released from its obligations and liabilities under the Notes, the Deed of Covenant and the Agency Agreement.
 - (C) After a substitution pursuant to Condition 16.2 (A) the Substitute Debtor may, without the further consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 16.2 (A) and 16.2 (B) shall apply, *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor.
 - (D) After a substitution pursuant to Condition 16.2 (A) or 16.2 (C) any Substitute Debtor may, without the further consent of any Noteholder, reverse the substitution, *mutatis mutandis*.
 - (E) The Documents shall be delivered to, and kept by, the Commissioner for so long as any Notes remain outstanding and for so long as any claim made against the Substitute Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated or settled or discharged. Copies of the Documents will be available free of charge at the specified office of the Commissioner.
 - (F) Not later than 15 Business Days after the execution of the Documents, the Substitute Debtor shall give notice thereof to the Noteholders in accordance with Condition 14 (*Notices*).

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1. Governing law

The Notes and any non-contractual obligations arising out of or in connection with them are, subject as provided below, governed by, and shall be construed in accordance with, English law. Title to the Notes and transfer of the Notes as described in Condition 1.3 (*Title and transfer*), the status of the Notes as described in Condition 4 (*Status of the Notes*), the provisions of Condition 13 (*Syndicate of*

Noteholders and Modification) relating to the appointment of the Commissioner and the Syndicate of Noteholders and the Agency Agreement are governed by, and shall be construed in accordance with, Spanish law.

18.2. *Submission to jurisdiction*

- (A) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection the Notes (**Proceedings**) may be brought in such courts.
- (B) 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.
- (C) This submission is made for the benefit of each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

18.3. *Appointment of Process Agent*

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

19. REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

ESTATUTOS DEL SINDICATO DE BONISTAS

REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

EMISIÓN DE BONOS SENIOR SIMPLES

ISSUE OF SENIOR UNSECURED NOTES

En caso de discrepancia, la versión española prevalecerá.

In case of discrepancy, the Spanish version shall prevail.

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

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

Artículo 1.- Constitución. El Sindicato de Bonistas de la emisión de Bonos Senior Simples por importe de 1.000.000.000 de euros con vencimiento en 2019 emitidos por Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (en adelante, respectivamente el "**Emisor**" y los "**Bonos**") quedará constituido una vez se suscriban y desembolsen los Bonos.

Article 1.- Incorporation The syndicate of noteholders of the issue of the €1,000,000,000 Senior Unsecured Notes due 2019 issued by Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (hereinafter, respectively, the "**Issuer**" and the "**Notes**") shall be incorporated once the Notes have been fully subscribed and paid.

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

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

Artículo 2.- Denominación. El Sindicato se denominará "Sindicato de Bonistas de la Emisión de

Article 2.- Name. The Syndicate shall be named "Syndicate of Noteholders of the Issue of Senior

Bonos Senior Simples con vencimiento en 2019 de "la Caixa".

Unsecured Notes due 2019 of "la Caixa".

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

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

Artículo 4.- Domicilio. El domicilio del Sindicato se fija en Barcelona, Avenida Diagonal, número 621-629. La Asamblea General de Bonistas podrá, sin embargo, reunirse en cualquier otro lugar, siempre que así se exprese en la correspondiente convocatoria.

Article 4.- Address. The address of the Syndicate shall be located in Barcelona, Avenida Diagonal, number 621-629. However, the Noteholders General Meeting is also authorized to hold a meeting in any other place, provided that it is specified in the notice convening the meeting.

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

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

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

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

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

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

Título II: LA ASAMBLEA GENERAL DE BONISTAS

Title II: THE NOTEHOLDERS GENERAL MEETING

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

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

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

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

Comisario hubiere recibido la solicitud.

Artículo 9.- Forma de convocatoria. La convocatoria de la Asamblea General de Bonistas se hará mediante anuncio que se publicará con la antelación prevista al efecto en la normativa vigente o, en ausencia de esta, con al menos un mes de antelación a la fecha fijada para su celebración, en la página web del Emisor. El anuncio deberá expresar el lugar y la fecha de la reunión, los asuntos que hayan de tratarse, la forma de acreditar la titularidad de los Bonos para tener derecho de asistencia a la misma y cualesquiera otros aspectos exigidos en su caso en la normativa vigente.

En los supuestos previstos en el artículo 423.2 de la Ley de Sociedades de Capital, la convocatoria de la Asamblea General de Bonistas se hará de acuerdo con los requisitos previstos en dicho artículo y en la forma establecida en dicho cuerpo legal para la junta general de accionistas.

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

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

Artículo 12.- Quórum de asistencia y adopción de acuerdos. La Asamblea podrá adoptar acuerdos siempre que los asistentes representen a las dos terceras partes del importe total de los Bonos en circulación o aquel otro porcentaje inferior que en su caso se fije en la normativa vigente en cada momento para la adopción de acuerdos. Los acuerdos se adoptarán por mayoría absoluta calculada sobre los votos correspondientes a dicho importe, salvo aquellas materias para las que la normativa vigente en su caso exija un porcentaje

the Commissioner.

Article 9.- Procedure for convening meetings. The Noteholders General Meeting shall be convened by notice published in accordance to the applicable legislation or, in absence of this legislation, with at least a month before the date set for the meeting, on the web page of the Issuer. The notice shall state the place and the date for the meeting, the agenda for the meeting, the way in which ownership of the Notes shall be proved in order to have the right to attend the General Meeting and any other aspects that may be required by the applicable legislation.

In the events established in article 423.2 of the Spanish Companies Act, the convening of the Noteholders General Meeting shall be made in accordance with the requirements set out in the abovementioned article and in the manner set out in the abovementioned legal text regarding the shareholders general meeting.

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

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

Article 12.- Quorum for meetings and to pass resolutions. The Meeting shall be entitled to pass resolutions if Noteholders representing at least two thirds of the principal amount of the Notes in issue, or any other lower percentage that the applicable legislation may establish to pass resolutions, are present or represented. The resolutions shall be approved by an absolute majority of the votes corresponding to such amount, except for those decisions in which the applicable legislation requires a higher percentage. If the quorum of

superior. Cuando no se lograra la concurrencia de titulares de Bonos necesaria para la celebración en primera convocatoria, la Asamblea podrá celebrarse en segunda convocatoria según lo previsto al efecto por la normativa vigente, pudiéndose entonces tomarse los acuerdos por mayoría absoluta calculada sobre los votos correspondientes a los asistentes. No obstante lo anterior, la Asamblea se entenderá convocada y quedará válidamente constituida para tratar de cualquier asunto siempre que estén presentes o debidamente representados todos los Bonistas y acepten por unanimidad la celebración de la Asamblea.

Artículo 13.- Derecho de voto. En las reuniones de la Asamblea, cada Bono conferirá derecho a un voto, salvo que de acuerdo con la normativa vigente se prevea una fórmula de cálculo distinta.

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

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

Artículo 16.- Facultades de la Asamblea General.

La Asamblea General de Bonistas podrá acordar lo necesario para:

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

Noteholders to celebrate the first meeting is not reached, the Meeting may be held at second call in accordance to the applicable legislation, and the resolutions may be passed by an absolute majority of the Noteholders present or represented. Nevertheless, the Meeting shall be deemed called and validly constituted to pass any resolution if Noteholders representing the entire Notes in issue are present and provided that the Noteholders present unanimously approve the holding of such Meeting.

Article 13.- Voting rights. In Meeting, each Note shall have the right to one vote, unless a different calculation methodology is established by applicable law.

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

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

Article 16.- Power of the General Meeting.

The Noteholders General Meeting may pass resolutions necessary for:

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

f) cualesquiera otras que le confiera la normativa vigente.

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

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

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

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

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

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

Título III: EL COMISARIO

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

Artículo 22.- Nombramiento y duración del cargo.

relation thereto; and

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

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

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

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

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

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

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

Title III: THE COMMISSIONER

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

Article 22.- Appointment and duration of the office.

Sin perjuicio del nombramiento contenido en el acuerdo de emisión de los Bonos adoptado por el Consejo de Administración del Emisor, el cual deberá ser ratificado por la Asamblea General de Bonistas, corresponderá a esta última la facultad de nombrar al Comisario, quien deberá ejercer el cargo en tanto dure el Sindicato y no sea sustituido por la Asamblea.

Artículo 23.- Facultades. Serán facultades del Comisario:

- a) Concurrir al otorgamiento del contrato de emisión y suscripción en nombre de los Bonistas y tutelar sus intereses comunes;
- b) convocar y presidir las Asambleas Generales de Bonistas;
- c) informar al Emisor de los acuerdos del Sindicato;
- d) vigilar el pago de la remuneración, así como de cualesquiera otros pagos que deban realizarse a los Bonistas por cualquier concepto;
- e) ejecutar los acuerdos de la Asamblea General de Bonistas;
- f) ejercitar las acciones que correspondan al Sindicato; y
- g) en general, las que le confieran la ley y los presentes Estatutos.

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

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

Título IV: JURISDICCIÓN

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

Notwithstanding the appointment established in the issue agreement of the Notes adopted by the Board of Directors of the Issuer, which will require the ratification of the Noteholders General Meeting, the latter shall have the faculty to appoint the Commissioner, who shall exercise his office while the Syndicate exists and the General Meeting does not dismiss him.

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

- a) Be present at the execution of the issue agreement and subscribe on behalf of the Noteholders and protect their common interests;
- b) to call and act as president of the Noteholders General Meeting;
- c) to inform the Issuer of the resolutions passed by the Syndicate;
- d) to control the payment of the compensation, and any other payments that shall be made by the Noteholders by any concept;
- e) to execute the resolutions of the Noteholders General Meeting;
- f) to exercise the actions corresponding to the Syndicate; and
- g) in general, the ones granted to him in the Law and the present regulations.

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

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

Title IV: JURISDICTION

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

8. USE OF PROCEEDS

The net proceed of the issue of the Notes, expected to amount to €91,669,424 after deduction of the combined management and underwriting commission and the other expenses incurred in connection with the issue of the Notes, will be used by the Issuer for the early redemption of the outstanding nominal balance of the “Caixa d’Estalvis i Pensions de Barcelona (“la Caixa”) Subordinated Notes – January 2009” issue, with ISIN code ES0214970065.

9. TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not constitute tax advice and does not purport to be a complete analysis of all tax considerations relating to the Notes, as applicable, whether in Spain or elsewhere. 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 Notes and receiving payments of interest, principal and/or other amounts under the Notes. 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.

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

Spanish tax considerations

The following summary describes the main Spanish tax implications related to the holding or transfer of the Notes by certain individuals or entities that are the beneficial owners of the Notes.

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which (such as look through entities or holders of the Notes by reason of employment) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of Notes. This tax section is based on Spanish law as in effect on the date of this Prospectus as well as on administrative interpretations thereof, and is subject to any change in such law or interpretations that may take effect after such date, including changes with retroactive effect.

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

- (i) of general application, Additional Provision Two of Law 13/1985, of 25 May 1985, as amended by Law 19/2003, of 4 July 2003, on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures, Law 23/2005, of 18 November 2005, on certain tax measures to promote productivity, Law 4/2008, of 23 December 2008, abolishing the Net Wealth Tax, generalising the VAT monthly refund system and introducing other tax measures, and Law 6/2011, of 11 April 2011, Royal Decree-Law 24/2012, of 31 August 2012 and Law 9/2012, of 14 November 2012, on restructuring and resolution of credit entities (**Law 13/1985**), as well as the Additional Provision Fourteen of Law 26/2013, of 27 December 2013, on savings banks and bank foundations, along with Royal Decree 1065/2007, of 27 July 2007, 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 29 July 2011;
- (ii) for individuals with tax residency in Spain who are individual income tax (**IIT**) tax payers, Law 35/2006, of 28 November 2006, on IIT and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law, as well as Royal Decree 439/2007, of 30 March 2007, promulgating the IIT Regulations, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on

the Inheritance and Gift Tax (**IGT**);

- (iii) for legal entities resident for tax purposes in Spain which are subject to the Spanish Corporate Income Tax (**CIT**), Royal Legislative Decree 4/2004, of 5 March 2004, promulgating the Consolidated Text of the CIT Law, as amended, and Royal Decree 1777/2004, of 30 July 2004, promulgating the CIT Regulations;
- (iv) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Spanish Non-Resident Income Tax (**NRIT**), Royal Legislative Decree 5/2004, of 5 March 2004, promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004, of 30 July 2004, promulgating the NRIT Regulations, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on IGT.

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

The Issuer understands that the Notes should be deemed as financial assets with an explicit yield for Spanish tax purposes, since the explicit yield arising from the Notes exceeds the thresholds set out in article 91 of the IIT Regulations and article 61 of the CIT Regulations. Finally, both the Issuer and Criteria CaixaHolding consider that, pursuant to the Additional Provision Fourteen of Law 26/2013, of 27 December 2013, on savings banks and bank foundations, the tax regime applicable to the Notes transferred to Criteria CaixaHolding as per the Spin Off.

Individuals with Tax Residency in Spain

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

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base, which is taxed in 2014 at a flat rate of 21% on the first €6,000, 25% on the following €8,000 and 27% for any amount in excess of €24,000.

A (current) 21% withholding on account of IIT will be imposed by the Issuer on interest payments as well as on income derived from the redemption or repayment of the Notes, by individual investors subject to IIT.

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

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

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

Reporting Obligations

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

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

For tax year 2014, Spanish resident tax individuals are subject to Spanish Net Wealth Tax, which

imposes a tax on property and rights in excess of €700,000 held on the last day of any year.

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

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

Individuals who are resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish IGT in accordance with the applicable Spanish regional and state rules. The applicable tax rates range between 7.65% and 81.6% for 2013, depending on relevant factors.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (*Impuesto sobre Sociedades*)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes are subject to CIT (at the current general flat tax rate of 30% for 2014) in accordance with the rules for such tax.

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

With regard to income derived from the transfer of the Notes, in accordance with article 59.q of the CIT regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Notes are:

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

Reporting Obligations

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

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

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

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

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

Individuals and Legal Entities that Are Not Tax Resident in Spain

- 1) *Investors that Are Not Resident in Spain for Tax Purposes, Acting in Respect of the Notes Through a Permanent Establishment in Spain*

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

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

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

Reporting Obligations

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

2) *Investors that Are Not Resident in Spain for Tax Purposes, Not Acting in Respect of the Notes Through a Permanent Establishment in Spain*

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

Both interest payments periodically received under the Notes and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT and therefore no withholding on account of NRIT will be levied on such income provided certain requirements are met.

In order to be eligible for the exemption from NRIT, certain requirements must be met (including that, in respect of interest payments from the Notes carried out by the Issuer, the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below), as set forth in article 44 of Royal Decree 1065/2007 of 27 July 2007, as amended by Royal Decree 1145/2011 of 29 July 2011. See “—*Compliance with Certain Requirements in Connection with Income Payments*.”

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of interest under the Notes, the Issuer will withhold Spanish withholding tax at the then-applicable rate (currently 21%) on such payment of income on the Notes and the Issuer will not pay additional amounts with respect to any such withholding tax.

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

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

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

For tax year 2014, Spanish non-resident tax individuals are subject to Spanish Net Wealth Tax, which

imposes a tax on property and rights in excess of €700,000 that are located in Spain, or can be exercised within the Spanish territory, as the case may be, on the last day of any year.

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

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

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

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

If no treaty for the avoidance of double taxation in relation to IGT applies, applicable IGT rates would range between 7.65% and 81.6% for 2014, depending on relevant factors.

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

Compliance with Certain Requirements in Connection with Income Payments

As described under “—Individuals and Legal Entities that Are Not Tax Resident in Spain,” “—Legal Entities with Tax Residency in Spain—Corporate Income Tax (*Impuesto sobre Sociedades*),” provided the conditions set forth in Law 13/1985 are met, interest payments made by the Issuer in respect of the Notes for the benefit of non-Spanish tax resident investors, or for the benefit of Spanish CIT taxpayers, will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a **Payment Statement**), in accordance with section 4 of article 44 of Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, containing the following information:

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

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed

Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, currently at the rate of 21%.

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

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

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 Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes 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 Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

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

European Union Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, each Member State of the European Union is required to provide to the tax or other relevant authorities of another Member State details of payments of interest or other similar income made by a person within its jurisdiction to, or collected by such a person for, an individual or certain other types of person resident in that other Member State; however, for a transitional period, Austria and Luxembourg have instead opted to apply a withholding system in relation to such payments, deducting tax at the rate of 35%, unless during that period they elect otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as

from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provisions of information arrangements or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

The European Council formally adopted a Council Directive amending the Directive on 24 March 2014 (the **Amending Directive**). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

10. SUBSCRIPTION AND SALE

Subject to the terms and conditions set forth in a subscription agreement dated 30 April, 2014 (the **Subscription Agreement**), the Issuer has agreed to issue the Notes on the Issue Date, and the Joint Lead Managers have agreed, jointly and severally, to subscribe the Notes on the Issue Date at their issue price of 99.577 per cent. of the aggregate principal amount of the Notes plus (if the Issue Date is postponed) any accrued interest in respect thereof.

The Issuer has agreed to pay Citigroup Global Markets Limited for the account of the Joint Lead Managers a customary combined management and underwriting commission.

The Subscription Agreement provides that the Issuer will indemnify each Joint Lead Manager against certain liabilities.

The Issuer has agreed that, during the period commencing on the date of the Subscription Agreement and ending on the Issue Date, the Issuer will not, without the prior consent of the Joint Lead Managers, issue or agree to issue any other listed notes or bonds (other than any notes or bonds where the majority thereof is initially placed with investors domiciled in Spain and who purchase such debt securities in Spain) where the notes or bonds have the same maturity and currency as the Notes.

The Notes are newly issued securities for which there is currently no market. The issuer will use all reasonable endeavors to procure that the Notes are admitted to trading on AIAF within, at least, 30 days of the Issue Date and to maintain such admission until none of the Notes is outstanding.

Citigroup Global Markets Limited acting as the stabilising manager of the Issue under the Subscription Agreement (the **Stabilising Manager**), or persons acting on behalf of the Stabilising Manager, may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. The Stabilising Manager is not required to engage in these activities, and may end these activities at any time no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes.

Selling Restrictions

General

Each Joint Lead Manager has undertaken to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any related offering material, in all cases at its own expense.

Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has represented, warranted and undertaken to the Issuer that it has offered and sold the Notes and will offer and sell the Notes (a) as part of their distribution, at any time; and (b) otherwise, until 40 days after the later of the commencement of the offering and the Issue Date, only in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that (i) neither it nor any of its affiliates (including any person acting on behalf of such Joint Lead Manager or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes; and (ii)

it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

Each Joint Lead Manager has further undertaken to the Issuer that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchase Notes from it during the distribution compliance period a confirmation or notice substantially in the following form: “*The securities covered hereby have not been registered under the United States Securities Act of 1933 (the Securities Act) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.*”

The terms used above have the meanings given to them by Regulation S.

United Kingdom

Each Joint Lead Manager has represented, warranted and undertaken to the Issuer and each other Joint Lead Manager that:

- it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services Markets Act 2000 —**FSMA**) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange act of Japan (Act No.25 of 1948, as amended; the FIEA) and each Joint Lead Manager has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

France

Each of the Joint Lead Managers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) qualified investors (*investisseurs qualifiés*), other than individuals as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1, L.533-16 and L.533-20 of the French *Code monétaire et financier*.

Italy

The Offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24th February, 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14th May, 1999, as amended from time to time (**Regulation No. 11971**); or
- in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs above must be:

- made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29th October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1st September 1993, as amended (the **Banking Act**); and
- in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of the securities in the Republic of Italy; and
- in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

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

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

Notwithstanding that, it should be noted that Law 32/2011, of 4 October which amends Law 24/1988, of 28 July on the Securities Market (*Ley 32/2011, de 4 de octubre, por la que se modifica la Ley 24/1988, de 28 julio, del Mercado de Valores*), provides for certain changes that are yet to be implemented in the Spanish clearing, settlement and registry procedures of securities transactions. These will modify the system and allow for the integration of the post trading Spanish systems into the TARGET System (TARGET2), which is scheduled to be fully implemented in February 2017.

The project to reform Spain's clearing, settlement and registry system and its connection to the TARGET System (the **Reform**) introduces significant new features that affect all classes of securities and all post-trade activities.

The Reform will be implemented in two phases:

- The first phase will take place at the beginning of 2015 and will involve setting up a new system for equities to include all the changes envisaged in the Reform, including the creation of a central clearing counterparty (**CCP**) in post-trade whose design must be compatible with the TARGET System (messages, account structure, definition of operations, etc.). Accordingly, the SCLV (*Servicio de Compensación y Liquidación de Valores*) platform will be discontinued.

That system will continue to settle by the current deadline of T+3, although that should be reduced to T+2 within a period of 2-3 months since that is the settlement period in the proposed regulation on improving securities settlement in the European Union and on central securities depositories (**CSDs**).

The CADE (*Central de Anotaciones de Deuda Pública*) platform will continue to operate unchanged and cash settlements in the new system will be made in the TARGET2-Bank of Spain cash accounts, as at present.

- The second phase will be implemented to coincide with Iberclear's connection to the TARGET System, scheduled for February 2017. At that time, fixed-income securities will be transferred to the new system, and CADE will be discontinued.

Equities will also be settled in accordance with the procedures and time periods of the TARGET System, so that the interim settlement procedure used in the first phase will be discontinued.

The second phase will entail unifying the registry and settlement approach for both equities and fixed-income.

Iberclear

Iberclear is the Spanish central securities depository in charge of both the register of securities held in book-entry form, and the clearing and settlement of all trades from the Spanish Stock Exchanges, Latibex (the Latin American stock exchange denominated in Euro), The Book-Entry Public Debt Market and AIAF. To achieve this, Iberclear uses two technical platforms, SCLV (for the Spanish Stock Exchanges and Latibex) and CADE (for The Book-Entry Public Debt Market and AIAF).

Iberclear is owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., a holding company, which holds a 100% interest in each of the Spanish official secondary markets and settlement systems.

Iberclear Securities Registration System

Iberclear and the Iberclear Members have the function of keeping the book-entry register of securities traded on the AIAF.

The book-entry register structure is divided into: (i) the Spanish Central Registry managed by Iberclear, that reflects the aggregate balance of the securities held by each of the Iberclear Members (segregated into the Iberclear Members' own account and accounts held on behalf of third parties), and (ii) an itemised individual register managed by each of the Iberclear Members, in which securities are listed under the security owner's name.

Spanish law considers the legal owner of the securities to be:

- the Iberclear Member appearing in the records of Iberclear as holding the relevant securities in its own name; or
- the investor appearing in the records of the Iberclear Member as holding the securities.

Iberclear Settlement of securities traded in AIAF

Securities traded in AIAF are private fixed income securities, including corporate bonds (for example, medium term notes and mortgage bonds), represented either in a dematerialised form or by certificates.

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

The settlement system used for securities admitted for trading in AIAF is the Model 1 delivery versus payment system, as per the classification of the Bank for International Settlements: that is, it is a "transaction-to-transaction" cash and securities settlement system with simultaneity in its finality.

Transactions are settled on the business day agreed by participants at the moment of the trade.

Settlement Cycles: The CADE Platform

The process of settling all reported trades with a value date on a specific day, is carried out in three phases:

- First settlement cycle,
- Real-time settlement, and
- Session close

The first cycle includes all transactions reported to CADE up to 6 PM of D-1, and these are settled if sufficient funds and an adequate securities balance are available in the pertinent accounts.

The real-time settlement process is carried out between 7 AM and 4 PM of the settlement day, and the system first checks if a sufficient securities balance is available. If it is available, but the buyer of the securities does not have available funds, the order is rejected and returned to CADE, and placed in a queue. The process is periodically activated until enough balance is available in the relevant accounts to settle outstanding orders with finality. If the balance in the seller's securities account is insufficient, the transaction is placed in a queue. When a credit is lodged in a securities account, the system checks whether queued orders can be processed.

At the end of the day, the system tries one last time to settle all transactions not settled in the first cycle or during the process in real time. The settlement cycle at the end of the day takes place at 5 PM.

If the seller's securities account has sufficient balance, the system checks - by means of a comparison

with the payment side - if there is also sufficient balance in the buyer's cash account. That is, securities and cash are not immediately blocked. Once the transfers of securities and cash have been executed, each of the transactions is considered final.

12. ADDITIONAL INFORMATION

Below are the disclosure requirements of Annex XIII of Regulation EC 809/2004 which have not been covered in the preceding sections of this Prospectus:

Key information. Interest of natural and legal persons involved in the issue

Save for CaixaBank, which acts as Joint Lead Manager and Paying Agent, and is a Subsidiary of the Issuer, and any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

Admission to trading and dealing arrangements

The issue of the Notes and its admission to trading on AIAF was authorised by "la Caixa" pursuant to a resolution of its Board of Directors passed on 24 April 2014 on the basis of the authorisation granted by a resolution of the General Assembly of the Issuer passed on 27 June 2013.

Statement of the capacity in which the advisors have acted

In addition to the Joint Lead Managers, the following entities have provided advisory services in relation with the Offering of the Notes:

- Clifford Chance, S.L. has acted as legal advisor to the Joint Lead Managers on Spanish and English law;
- Slaughter and May has acted as legal advisor to "la Caixa" on English law; and
- Uría Menéndez Abogados, S.L.P. has acted as legal advisor to "la Caixa" on Spanish law.

Third party information and statement by experts and declarations of any interest

This Prospectus includes pro forma financial information on Criteria Post Spin Off as of 31 December 2013 which has been transcribed in section 6 of this Prospectus.

The Issuer confirms that the aforementioned pro forma financial information issued by Criteria CaixaHolding and the special report issued by Deloitte and reproduced in section 6 of this Prospectus has been accurately reproduced and that, so far as it is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Credit ratings assigned to an issuer or its debt securities at the request or with the co-operation of the issuer in the rating process

Ratings assigned to the Issuer are detailed below:

| | Long term | Short term | Outlook | Date |
|--------------|------------------|-------------------|----------------|------------------|
| Fitch | BBB- | F3 | Negative | 11 November 2013 |

The Notes have been rated BBB - by Fitch. Fitch is a rating agency established in the EU and registered under the CRA Regulation. A list of registered credit rating agencies is published at the European Securities and Market Authority's website: www.esma.europa.eu.

Expenses related to the Offering and admission to trading

For informative purposes only, an approximate estimate of the expenses payable by "la Caixa" in relation to the Offering and admission to trading is as follows:

| Type of expense | euro (estimated amount) |
|--|--------------------------------|
| Charges and fees of AIAF and Iberclear | 55,500 |
| CNMV fees (listing) | 20,076 |
| Joint Lead Managers fees | 4,000,000 |
| Other | 25,000 |
| TOTAL | 4,100,576 |

13. SIGNATURES

In witness to their knowledge and approval of the contents of this Prospectus drawn up according to Annexes II and XIII of Commission Regulation (EC) No. 809/2004 of 29 April 2004, it is hereby signed by Mr. Marcelino Armenter Vidal, the Senior Executive Vice-President of "la Caixa", in Barcelona, on 12 May 2014.

ISSUER

**Caja de Ahorros y Pensiones de
Barcelona "la Caixa"**

Avenida Diagonal, 621-629
08028 Barcelona
Spain

JOINT LEAD MANAGERS

**Barclays Bank
PLC**

5 The North
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Canary Wharf
London
E14 4BB
United Kingdom

CaixaBank, S.A.

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08028 Barcelona
Spain

**Citigroup Global
Markets Limited**

Citigroup Centre –
Canada Square
Canary Wharf,
London
E14 5LB
United Kingdom

**J.P. Morgan
Securities plc**

25 Bank Street
Canary Wharf
London
E14 5JP
United Kingdom

**Morgan Stanley &
Co. International
plc**

Cabot Square
Canary Wharf
London
E14 4QA
United Kingdom

**ISSUING AND PAYING
AGENT**

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Spain

**COMMISSIONER
Bondholders, S.L.**

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*To the Managers as to the English
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To the Issuer

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