

## BASE PROSPECTUS



### ABANCA Corporación Bancaria, S.A.

*(incorporated with limited liability in the Kingdom of Spain)*

**EUR 5,000,000,000**

### **Euro Medium Term Note Programme**

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This Base Prospectus of ABANCA Corporación Bancaria, S.A. ("ABANCA", the "Bank" or the "Issuer"), a public limited company (*sociedad anónima*), has been approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "CNMV") as competent authority under Regulation (EU) 2017/1129 (the "Prospectus Regulation"), as a base prospectus for the purposes of Article 8 of the Prospectus Regulation for the purpose of giving information with regard to the issue of notes ("Notes") under the Euro Medium Term Note Programme of ABANCA (the "Programme") described in this Base Prospectus during the period of 12 months after the date hereof. This Base Prospectus has been prepared in accordance with, and including the information required by Annexes 7 and 15 of Delegated Regulation (EU) 2019/980 of 14 March 2019. The CNMV has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes.

Application may be made for the Notes to be admitted to listing on the Spanish AIAF Fixed Income Market (*AIAF Mercado de Renta Fija*) ("AIAF"). AIAF is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "MiFID II"). Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant dealers. No unlisted Notes may be issued under the Programme.

The Notes under this Programme will be issued in uncertified, dematerialised book-entry form (*anotaciones en cuenta*) and will be registered with 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 settlement system (the "Spanish Central Registry"). Consequently, no global certificates will be issued in respect of the Notes. 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.

Each tranche of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "Conditions of the Notes") as supplemented by a document specific to such tranche called final terms of the Notes (the "Final Terms"). The Final Terms of each tranche of Notes (a "Tranche") will state whether these are to be (a) Senior Notes or (b) Subordinated Notes; and, if Senior Notes, whether such Senior Notes are (i) Ordinary Senior Notes or (ii) Senior Non-Preferred Notes; and, if Subordinated Notes, whether such Subordinated Notes are (i) Senior Subordinated Notes or (ii) Tier 2 Subordinated Notes. Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and certain other information applicable to each issue of the Notes will also be set out in the Final Terms. The Final Terms of each Tranche will also state whether the relevant Notes are to be: (i) Fixed Rate Notes, (ii) Floating Rate Notes, (iii) Reset Notes, or (iv) any combination thereof.

Notes issued under the Programme may be unrated or rated by any one or more rating agencies. Where a Tranche is rated, such rating will be disclosed in the relevant Final Terms and will not necessarily be the same as the rating(s) assigned to Notes already issued. Whether or not each credit rating applied for in relation to a relevant Tranche will be (1) issued or endorsed by a credit rating agency established in the European Economic Area ("EEA") and registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"), or (2) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA but which is certified under the CRA Regulation. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

**The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition.**

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under the section "Risk Factors" below and under the section "Risk Factors" of the Registration Document (as this term is defined in section "Information Incorporated by Reference").*

No Notes may be issued under the Programme with a denomination of less than €100,000.

**Product Governance under MiFID II** - A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under European Union Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any of its affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

**Product Governance under UK MiFIR** - A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any of its affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules. The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In addition, in the UK, this Base Prospectus may be distributed to, and directed at, persons (i) who qualify as "investment professionals" within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) high net worth companies, unincorporated associations and other bodies within the categories described in Article 49(2) of the Order; and (iii) persons to whom it may otherwise lawfully be communicated (all such persons together, **relevant persons**).

Therefore, this Base Prospectus must not be acted on or relied upon (i) in any member state of the EEA (a "**Member State**"), by persons who are retail investors, and (ii) in the UK, by persons who are retail investors or are not relevant persons.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

**Prospective investors are referred to the section headed "Subscription and Sale" on pages [98] to [100] of this Base Prospectus for further information.**

For the purpose of Article 21 of the Prospectus Regulation, the Registration Document, this Base Prospectus and any Final Terms issued under the Programme will be published on the Issuer's website (<https://www.abancacorporacionbancaria.com/es/inversores/general/#programas-de-emision>). Unless specifically incorporated by reference in this Base Prospectus, information contained in that website or in any websites mentioned throughout this Base Prospectus does not form part of this Base Prospectus and has not been examined or approved by the CNMV.

This Base Prospectus will be valid as a base prospectus under the Prospectus Regulation for 12 months from 12 June 2023. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period
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**Arranger and Dealer**  
**Crédit Agricole CIB**

**12 June 2023**

## IMPORTANT NOTICES

The Issuer has confirmed to Crédit Agricole Corporate and Investment Bank (the "**Arranger**") that this Base Prospectus contains all information which is (in the context of the Programme, the issue and the offering and sale of the Notes) material with respect to the Notes; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and the offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to ascertain such facts and to verify the accuracy of the foregoing.

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

Neither the Arranger nor any of its affiliates have authorised the whole or any part of this Base 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 Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than Arranger) in connection with the issue and offering of the Notes.

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

### Notes issued as Green/Sustainability/Social Notes

Prospective investors in any Notes where the "*Reasons for the Offer*" in Part B of the relevant Final Terms are stated to be for "green", "social" or "sustainability" purposes as described therein (collectively, "**Green, Social or Sustainability Notes**") should have regard to the information in the relevant Final Terms regarding the use of an amount equal to the whole or a part of the net proceeds of those Green, Social or Sustainability Notes and to the factors described in the Issuer's Sustainable Development Goals Framework (as defined in "*Use of Proceeds*") of the Issuer available for viewing on its website (including as amended, supplemented, restated or otherwise updated on such website from time to time), and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability Notes, together with any other investigation such investor deems necessary and must seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Green, Social or Sustainability Notes before deciding to invest.

Neither the Arranger nor any of its affiliates accept any responsibility for any social, environmental and sustainability assessment of any Notes issued as Green/Sustainability/Social Notes or make any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. Neither the Arranger nor any of its affiliates are responsible for the use of proceeds for any Green, Social or Sustainability Notes, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Arranger as to the suitability or reliability of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer or any affiliate) made available in connection with an issue of Green, Social or Sustainability Notes, nor is any such report, assessment, opinion or certification a recommendation by the Arranger to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Arranger that such listing or admission will be obtained or maintained for the lifetime of the Notes.

Any report, assessment, opinion or certification of any third party made available in connection with an issue of Green, Social or Sustainability Notes is not incorporated in this Base Prospectus. The Second Party Opinion (as defined in "*Use of Proceeds*") and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Arranger, the dealers, or any other person to buy, sell or hold any Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party

Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein. The Issuer's Sustainable Development Goals Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus.

### **Restrictions on distribution**

Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Arranger to inform themselves about and to observe any restrictions applicable to the distribution of this Base Prospectus and any Final Terms or to the offering, sale and delivery of the Notes; some of which are described under "Subscription and Sale".

In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

**NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Notes will qualify as MREL (as defined in section "*Capital, Liquidity and Funding Requirements and Loss Absorbing Regulations — MREL Requirements*" of the Registration Document) eligible liabilities instruments if the conditions set out in article 72b of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms ("**CRR**") and in article 45b of Directive 2014/59/EU, of 15 May, establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") (the latter as implemented into Spanish law) are met. No specific statement to the qualification of the Notes as MREL eligible liabilities instruments by the Issuer in this Base Prospectus or in the relevant Final Terms is required for their qualification as such. Since Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA, Article 209 of the Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the "**Spanish Securities Markets and Investment Services Law**") should not apply to the marketing or placement of the Notes.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Arranger or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

### **Benchmarks**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

## **Roundings**

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

## **The Notes are complex instruments that may not be suitable for certain investors**

The Notes are complex instruments and may not be a suitable investment for all investors. Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. A potential investor should not invest in Notes unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the relevant Notes will perform under changing conditions, the resulting effects on the value of the relevant Notes and the impact this investment will have on the potential investor's overall portfolio.

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

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## OVERVIEW

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche, the relevant Final Terms. The Issuer and any relevant dealer may agree that Notes shall be issued in a form other than that contemplated in the Conditions of the Notes, in which event, in the case of listed Notes only and if appropriate, a new prospectus will be published.*

*This Overview constitutes a general description of the Programme for the purposes of Article 25.1 of Commission Delegated Regulation (EU) No 2019/980 supplementing the Prospectus Regulation (the "Delegated Regulation").*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.*

<b>Issuer:</b>	ABANCA Corporación Bancaria, S.A.
<b>LEI Code:</b>	54930056IRBXXK0Q1FP96
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme, these are set out under the section "Risk Factors" of the Registration Document. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, these are set out under "Risk Factors -Risk Factors of the Notes" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
<b>Description:</b>	Euro Medium Term Note Programme.
<b>Arranger and Dealer:</b>	Crédit Agricole Corporate and Investment Bank.  Crédit Agricole Corporate and Investment Bank and/or other dealers appointed in accordance with the Programme Agreement may subscribe or procure subscribers for the issuances of Notes.
<b>Paying Agency:</b>	For Notes listed on AIAF, all payments under the Conditions of the Notes will be carried out directly by the Issuer through Iberclear.
<b>Clearing Systems:</b>	Iberclear.
<b>Programme Size:</b>	Up to €5,000,000,000 in aggregate original nominal amount of all Notes outstanding at any time.
<b>Distribution:</b>	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Notes may only be denominated in Euro.
<b>Maturities:</b>	At least one year in the case of Senior Notes and Senior Subordinated Notes and a minimum maturity of five years in the case of Tier 2 Subordinated Notes, as indicated in the relevant Final Terms or such other minimum or maximum maturity as may be allowed or

required from time to time by the relevant competent authority or any applicable laws or regulations.

The Maturity Date of the Notes will not exceed 50 years from the Issue Date.

**Issue Price:**

Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Form of Notes:**

The Notes will be issued in uncertified, dematerialised book-entry form (*anotaciones en cuenta*) and will be registered with Iberclear.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant dealer.

**Reset Notes:**

Reset Rate Notes will bear interest at an initial fixed rate of interest from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest, that will be reset as described in Condition 6 (*Reset Notes Provisions*) on the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined either

- (i) in accordance with "*Screen Rate Determination*" (see Condition 7(c) (*Floating Rate Note Provisions -Screen Rate Determination*)) of the Conditions of the Notes); or
- (ii) in accordance with "*ISDA Determination*" (see Condition 7(d) (*Floating Rate Note Provisions -ISDA Determination*)) of the Conditions of the Notes).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant dealer.

**Benchmark Discontinuation:**

On the occurrence of a Benchmark Event, the Issuer and, if applicable, an Independent Adviser may, subject to certain conditions, in accordance with Condition 8 (*Benchmark Discontinuation*) of the Conditions of the Notes and without any requirement

for consent or approval of the Holders, determine a Successor Rate or, failing which, an Alternative Rate and, in either case, an Adjustment Spread.

**Redemption:**

The relevant Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons, following an event of default or, if indicated as applicable in the relevant Final Terms, following an Eligible Liabilities Event and, in the case of Tier 2 Subordinated Notes, following a Capital Event, if indicated as applicable in the relevant Final Terms) or that such Notes will be redeemable at the option of the Issuer and/or the Holders upon giving notice to the Holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices specified in the relevant Final Terms. In addition, if so specified in the relevant Final Terms, the Issuer may redeem the relevant Notes at any time if the Outstanding Principal Amount of such Notes is equal or less of the Residual Percentage specified in the relevant Final Terms of the aggregate nominal amount of the Notes originally issued.

Redemption of Tier 2 Subordinated Notes at the option of the Issuer (other than for taxation reasons, or, if indicated as applicable in the relevant Final Terms, following an Eligible Liabilities Event or following a Capital Event) may only take place after five years from their date of issuance or any different minimum period permitted under Applicable Banking Regulations. Tier 2 Subordinated Notes where the Eligible Liabilities Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to an Eligible Liabilities Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

In accordance with Article 63(i) of CRR (as defined in the Conditions of the Notes), redemption of the Notes at the option of the Holders shall not be applicable to Tier 2 Subordinated Notes.

Redemption for taxation reasons in the case of Tier 2 Subordinated Notes or Notes that qualify as Eligible Liabilities, or redemption following a Capital Event or an Eligible Liabilities Event, will be subject to the prior permission of the Regulator and/or the Relevant Resolution Authority if required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and may only take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time. See Condition 9(k) (*Redemption and Purchase -Conditions to Redemption and Purchase*) of the Conditions of the Notes.

**Substitution and Variation:**

If a Tax Event, an Eligible Liabilities Event or a Capital Event occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to become or remain, Qualifying Notes. See Condition 15 (*Substitution and Variation*) of the Conditions of the Notes.

**Denomination:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant dealer save that the minimum denomination of each Note will be at least €100,000.

**Taxation:**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law. In that event, the Issuer will, save in certain limited circumstances or exceptions (please refer to Condition 11 (*Taxation*) of the Conditions of the Notes) be required to pay such additional amounts in respect of interest and any other amounts (except in the case of Senior Non-Preferred Notes or Subordinated Notes and, if specified in the relevant Final Terms, Ordinary Senior Notes, where additional amounts will only be paid in respect of the payment of any interest (but not in respect of the payment of any Outstanding Principal Amount)), as will result in receipt by the Holders of such amounts as would have otherwise been receivable by them had no such withholding or deduction been required.

All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) of the Conditions of the Notes; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof.

**Negative Pledge:**

The terms of the Notes will not contain a negative pledge provision.

**Status:**

Notes may be either Senior Notes or Subordinated Notes and, in the case of Senior Notes, Ordinary Senior Notes or Senior Non-Preferred Notes and, in the case of Subordinated Notes, Senior Subordinated Notes or Tier 2 Subordinated Notes and will all rank as more fully described in Condition 4 (*Status*) of the Conditions of the Notes.

**Governing Law:**

The Notes governed by English Law and any non-contractual obligations arising out of or in connection

with the Notes governed by English Law will be governed by, and shall be construed in accordance with, English law, except the provisions relating to the status of the Notes, the capacity of the Issuer and the relevant corporate resolutions and the provisions relating to the exercise and effect of the Loss Absorbing Power by the Relevant Resolution Authority and the acknowledgement of the same, which are governed by Spanish law.

The Notes governed by Spanish Law and any non-contractual obligations arising out of or in connection with the Notes governed by Spanish Law will be governed by, and shall be construed in accordance with, Spanish law.

**Use of proceeds:**

An amount equivalent to the net proceeds from each issue of Notes will be applied by the Issuer for the general financing requirements of the ABANCA Group. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

In particular, the Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply an amount equivalent to the net proceeds of the issue of the relevant Notes to the financing and/or refinancing, in whole or in part, of new and/or existing Eligible Green and/or Social Business Lines, as defined in the section headed "*Use of Proceeds*" (such Notes being referred to as Green, Social or Sustainability Notes).

Please see section headed "*Use of Proceeds*" below.

**Rating:**

The Issuer's long-term ratings as of the date of this Base Prospectus are "Baa3" (Stable) by Moody's Investors Service España, S.A., "BBB-" (Stable) by S&P Global Ratings Europe Limited, "BBB-" (Stable) by Fitch Ratings Ireland Limited and "BBB (high)" (Stable) by DBRS Ratings GmbH.

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the relevant Final Terms.

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

**Listing:**

This Base Prospectus has been approved by the CNMV as competent authority under the Prospectus Regulation. Application may be made for Notes issued under the Programme to be listed on AIAF.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets (either Spanish, European or non-European, including regulated markets, multilateral trading facilities or any other organised markets) agreed

between the Issuer and the relevant dealers in relation to the Series. No unlisted Notes may be issued under the Programme.

The relevant Final Terms will state on which stock exchanges and/or markets the relevant Notes are to be listed and/or admitted to trading.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of Notes in the EEA, Spain, the UK and the United States, and other such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale*").

**United States Selling Restrictions:**

Regulation S.

## RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer (and its subsidiaries (the "ABANCA Group")) and the industries in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below and the risk factors described in the section "Risk Factors" of the Registration Document. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus or in the section "Capital, Liquidity and Funding Requirements and Loss Absorbing Regulations" of the Registration Document have the same meanings in this section.

Only risks which are specific to the Notes are included herein as required by the Prospectus Regulation. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances. Risks that apply generally to securities with the characteristics of the Notes that can be issued under this Base Prospectus (for instance, risks related to modifications of the Notes approved by a meeting of Holders of the Notes, risks related to the absence of limitations on the amount or type of further securities or indebtedness which the Issuer may incur, risks related to fluctuations in market interest rates or risks related to the reset of the interest rate on Reset Notes), that apply generally to negotiable securities such as those related to the secondary market in general (for instance, illiquidity or price fluctuations, including in the particular case of securities issued at a discount or premium) and those related to the credit ratings assigned to the Notes (such as changes in the credit ratings or the assignment of unsolicited ratings) have not been included herein. However, such additional risks may affect the value and liquidity of the Notes.

### RISK FACTORS OF THE NOTES

***The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority. Other powers contained in Law 11/2015 or the SRM Regulation could materially affect the rights of the holders of the Notes under, and the value of, any Notes***

As discussed in section "Capital, Liquidity and Funding Requirements and Loss Absorbing Regulations—Loss absorbing powers by the Relevant Resolution Authority under Law 11/2015 and the SRM Regulation" of the Registration Document, any Notes issued under this Base Prospectus may be subject to the Spanish Bail-in Power and in general to the powers that may be exercised by the Relevant Resolution Authority under Law 11/2015 (and its development through Royal Decree 1012/2015) and the SRM Regulation.

In addition, Notes qualifying as capital instruments (which is expected to be the case for Tier 2 Subordinated Notes) and certain internal eligible liabilities may also be subject to the Non-Viability Loss Absorption (as defined in section "Capital, Liquidity and Funding Requirements and Loss Absorbing Regulations—Loss absorbing powers by the Relevant Resolution Authority under Law 11/2015 and the SRM Regulation" of the Registration Document). Non-Viability Loss Absorption may be imposed prior to or in combination with any exercise of the Spanish Bail-in Power or with any other resolution tool or power.

The exercise of any such powers (which may imply amounts due under such Notes being written-down (including to zero) or converted into equity or into other securities or obligations, or obligations being cancelled or modified) (or any other resolution powers and tools or even any early intervention measure before any resolution) may result in holders of Notes losing some or all of their investment or otherwise having their rights under the Notes adversely affected. And not only the exercise but also any suggestion that such exercise may happen, could materially adversely affect the market price or value or trading behaviour of any Notes and/or the ability of the Bank to satisfy its obligations under any Notes. The Spanish Bail-in Power and Non-Viability Loss Absorption may also be exercised in such manner as to result in Holders receiving a different security, which may be worth significantly less than the Notes.

There may be limited protections, if any, that will be available to holders of securities subject to the Spanish Bail-in Power or to the Non-Viability Loss Absorption (including the Notes) and to the broader resolution powers of the Relevant Resolution Authority. Accordingly, holders of the Notes may have limited or circumscribed rights to challenge any decision of the Relevant Resolution Authority to exercise its bail-in power or other powers. In particular, to the extent that any resulting treatment of a holder of the Notes pursuant to the exercise of the Spanish Bail-in Power or Non-Viability Loss Absorption is less favourable than would have been the case in normal insolvency proceedings, a holder of such affected Notes may have a right to compensation under the BRRD and the SRM Regulation based on an independent valuation of the institution, in accordance with Article 10 of Royal Decree 1012/2015 and the SRM Regulation. Any such compensation, together with any other compensation

provided by any Applicable Banking Regulations (including, among any such compensation, in accordance with Article 36.5 of Law 11/2015) is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the affected Notes. In addition, in the case of a Non-Viability Loss Absorption, it is unclear that a holder would have a right to compensation under the BRRD and the SRM Regulation if any resulting treatment of such holder pursuant to the exercise of the Non-Viability Loss Absorption was less favourable than would have been the case in normal insolvency proceedings.

The exercise of the Spanish Bail-in Power and/or any Non-Viability Loss Absorption by the Relevant Resolution Authority with respect to the Notes is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the Bank's control. In addition, as the Relevant Resolution Authority will retain an element of discretion, holders of the Notes may not be able to refer to publicly available criteria in order to anticipate any potential exercise of any such Spanish Bail-in Power and/or any Non-Viability Loss Absorption. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any such powers by the Relevant Resolution Authority may occur, how any such powers may be exercised or what the results of such exercise may be. Moreover, the Relevant Resolution Authority may exercise any such power without providing any advance notice to the holders of the Notes. This uncertainty may adversely affect the value of the Notes.

In addition to the BRRD (as amended by BRRD II), it is possible that the implementation and application of other amendments and relevant laws or other regulatory proposals, such as the proposal to update the existing crisis management and deposit insurance ("CMDI") framework, consisting of proposals to amend, *inter alia*, the BRRD and the SRM Regulation and adopt a general depositor preference (the "CMDI Proposal") (see "*Risks relating to the ranking of the Notes – Senior Notes*"), could impact upon any application of the Spanish Bail-in Power, as such application is to be carried out in the order of the hierarchy of claims in normal insolvency proceedings. Accordingly, if the CMDI Proposal is implemented as proposed and following any such amendment of the insolvency laws of Spain to establish a general depositor preference, any resulting write-down or conversion of the Ordinary Senior Notes by the Relevant Resolution Authority would be carried out before any write-down or conversion of the claims of depositors such as those of large corporates that previously would have been written-down or converted alongside the Ordinary Senior Notes. By removing the requirement for such deposits to be written-down or converted in this manner, one of the stated objectives of the CMDI Proposal is to reduce the likelihood of deposits generally needing to be included in any such write-down or conversion upon any application of the Spanish Bail-in Power and improve the process for the application of the Spanish Bail-in Power. However, this may have the corresponding impact of increasing the likelihood of any write-down or conversion of the Ordinary Senior Notes.

Any actions by the Relevant Resolution Authority pursuant to the ones granted by Law 11/2015 or the SRM Regulation (each of them as amended from time to time), or other measures or proposals relating to the resolution of institutions, may adversely affect the rights of holders of the Notes, the price or value of an investment in the Notes and/or the Bank's ability to satisfy its obligations under the Notes.

### ***Credit risk***

Credit risk refers to the risk of economic losses being generated by a payment default of the counterparty in a financial operation. In this particular case, such credit risk would consist of the Issuer not paying principal and/or interest on the Notes on their respective due dates. Moreover, the lower the ranking of a Note, the greater the credit risk to which it is exposed.

The Notes will not benefit from any guarantee other than the one provided by the general asset solvency of the Issuer. In addition, the Notes will not benefit from the protection granted by the Spanish Deposit Guarantee Fund (*Fondo de Garantía de Depósitos*).

### ***Risks relating to the ranking of the Notes***

#### ***Senior Notes***

Senior Notes are unsecured ordinary obligations of the Issuer (*créditos ordinarios*).

Upon insolvency (*concurso*) of the Issuer, payment obligations of the Issuer in respect of principal under Ordinary Senior Notes will (unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 281.1

of the restated text of the Spanish insolvency law, approved by Royal Legislative Decree 1/2020, of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (the "**Insolvency Law**") rank below claims against the insolvency estate (*créditos contra la masa*) and claims with a privilege (*créditos privilegiados*) (including, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015) which shall be paid in full before ordinary claims (*créditos ordinarios*).

Holders of Ordinary Senior Notes currently rank *pari passu* with depositors of the Issuer (other than in respect of deposits for the purposes of Additional Provision 14.1 of Law 11/2015). However, the CMDI Proposal includes, among other things, the amendment of the ranking of claims in insolvency to provide for a general depositor preference, pursuant to which the insolvency laws of Member States would be required by the BRRD to extend the legal preference of claims in respect of deposits relative to ordinary unsecured claims to all deposits. The implementation of this proposal is subject to further legislative procedures but if it is implemented in its current form, this would mean that Ordinary Senior Notes will rank junior to the claims of all depositors, including deposits of large corporates and other deposits that are currently excluded from the above privileged claims. The proposal, if implemented, may also lead to a rating downgrade for Ordinary Senior Notes (See "*The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority. Other powers contained in Law 11/2015 or the SRM Regulation could materially affect the rights of the holders of the Notes under, and the value of, any Notes*").

Senior Non-Preferred Notes constitute non preferred ordinary claims (*créditos ordinarios no preferentes*) under Additional Provision 14.2 of Law 11/2015 and, upon insolvency (*concurso*) of the Issuer, payment obligations of the Issuer in respect of principal under them will (unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 281.1 of the Insolvency Law) rank below claims against the insolvency estate (*créditos contra la masa*), claims with a privilege (*créditos privilegiados*) (including, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015) and any other ordinary claims (*créditos ordinarios*) against the Issuer, including without limitation, the Ordinary Senior Notes and other Senior Preferred Obligations.

Accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims of Holders of Senior Notes in respect of interest 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 281 of the Insolvency Law.

Therefore, Senior 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 obligations that rank senior under Spanish law.

Senior Notes are also structurally subordinated to all indebtedness of subsidiaries of the Issuer insofar as any right of the Issuer to receive any assets of such companies upon their winding-up will be effectively subordinated to the claims of the creditors of those companies in the winding-up.

#### *Subordinated Notes*

Payment obligations of the Issuer under the Subordinated Notes in respect of principal constitute unsecured and subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281.1.2° of the Insolvency Law read in conjunction with Additional Provision 14.3 of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), and upon the insolvency of the Issuer: (i) for so long as the obligations of the Issuer under the Subordinated Notes do not constitute Tier 2 Instruments nor Additional Tier 1 Instruments of the Issuer, would rank as set out in Condition of the Notes 4.(b)(a); and (ii) for so long as the obligations of the Issuer under the Subordinated Notes constitute Tier 2 Instruments of the Issuer, will rank as set out in Condition of the Notes 4.(b)(b).

For these purposes, as of the date of this Base Prospectus and according to Additional Provision 14.3 of Law 11/2015, the ranking of the Subordinated Notes may depend on whether those Subordinated Notes qualify at the relevant time as Tier 2 Instruments or constitute subordinated obligations of the Issuer not qualifying as Tier 2 Instruments nor Additional Tier 1 Instruments of the Issuer (which is expected to be the case of the Senior Subordinated Notes). Pursuant to Additional Provision 14.3 of Law 11/2015 (as amended by RDL 7/2021), all claims arising from Tier 2 Instruments (which is expected to be the case for Tier 2 Subordinated Notes) and Additional Tier 1 Instruments, even if they are only partly recognised as Tier 2 Instruments or Additional Tier 1 Instruments (as applicable), will rank behind any other subordinated claims included under article 281.1 of the Insolvency Law (including Subordinated Notes not qualifying as Tier 2 Instruments, which is expected to be the case of the Senior Subordinated Notes) and will be paid after them. Therefore, claims arising from instruments

being fully disqualified as own funds instruments in the future would cease to be treated as claims arising from own funds instruments in insolvency and might, consequently, improve their ranking *vis-à-vis* any claim that arises from an own funds instrument (such as the Tier 2 Subordinated Notes for so long as these qualify as Tier 2 Instruments).

If the Issuer were wound up or liquidated, the Issuer's liquidator would first apply the assets of the Issuer to satisfy all claims of holders of unsubordinated obligations of the Issuer and other creditors ranking ahead of holders of Subordinated Notes. If the Issuer does not have sufficient assets to settle claims of prior ranking creditors in full, the claims of the holders under the Subordinated Notes may not be satisfied; and if the Issuer has sufficient assets would first apply the assets of the Issuer to satisfy all claims of holders of subordinated obligations of the Issuer not constituting Tier 2 Instruments of the Issuer and other obligations that are senior to subordinated obligations of the Issuer constituting Tier 2 Instruments of the Issuer. If the Issuer does not have sufficient assets to settle claims of prior ranking creditors in full, the claims of the holders under Subordinated Notes constituting Tier 2 Instruments of the Issuer may not be satisfied. Holders of Subordinated Notes within each ranking will share equally in any distribution of assets with the holders of any other instrument ranking by law or by its terms, to the extent permitted by law, *pari passu* with the relevant Subordinated Notes if the Issuer does not have sufficient funds to make full payment to all of them. In such a situation, holders of Subordinated Notes could lose all or part of their investment.

Accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims of Holders of Subordinated Notes in respect of interest 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 281 of the Insolvency Law, which in the case of Tier 2 Subordinated Notes must be read in conjunction with the Additional Provision 14.3 of Law 11/2015.

#### ***The Notes provide for limited events of default***

Without prejudice to the provisions of the last paragraph below, the Conditions of the Notes do not provide for any events of default, except in the case that an order is made by any competent court commencing insolvency proceedings against the Issuer or if any order is made by any competent court or resolution passed for the liquidation (*liquidación*) of the Issuer (other than as permitted in Condition 12(a) (*Events of Default relating to the Notes*) of the Conditions of the Notes). Accordingly, in the event that any payment on the Notes is not made when due, each holder of the relevant Notes will have a claim only for amounts then due and payable on their Notes but will have no right to accelerate such Notes unless proceedings for the winding-up or liquidation of the Issuer have been instigated.

Notwithstanding the above and with respect to Ordinary Senior Notes, if the Issuer so decides by applying additional events of default in the relevant Final Terms as permitted under Condition 12(b) (*Additional Events of Default*) of the Conditions of the Notes, each holder of the relevant Notes will have an individual acceleration right in case certain events occur (including failure of payment on the Notes when due and cross default). Consequently, only Ordinary Senior Notes for which the Issuer has selected Condition 12(b) of the Conditions of the Notes as applicable in the relevant Final Terms could be accelerated by the Holders in case of failure of payment on the Notes when due.

Pursuant to the SRM Regulation and BRRD as implemented through Law 11/2015 and Royal Decree 1012/2015, the Issuer may be subject to a procedure of early intervention or resolution. Pursuant to Law 11/2015 the adoption of any early intervention or resolution or moratorium procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the adoption 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 11/2015. Any enforcement by a holder of Notes of its rights under the Notes upon the occurrence of an event of default following the adoption of any early intervention or any resolution or moratorium procedure will, therefore, be subject to the relevant provisions of the SRM Regulation and the BRRD and Law 11/2015 and Royal Decree 1012/2015 in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to above (see "*The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority. Other powers contained in Law 11/2015 or the SRM Regulation could materially affect the rights of the holders of the Notes under, and the value of, any Notes*"). 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 the SRM Regulation and Law 11/2015 and Royal Decree 1012/2015. There can be no assurance that the taking of any such action

would not adversely affect the rights of Holders, 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.

***The Notes may have a negative yield***

Notes issued under this Base Prospectus may have a negative yield, depending on the issue or acquisition price and the redemption or disposal price, as well as the periodic coupons they pay, and, consequently, investors could lose all or part of their investment.

***Impact of interest rates and inflation on the price and yield of the Notes***

The Notes (specially the Fixed Rate Notes) are affected by the expectations in an inflationary market and a tight monetary policy (i.e., expectations of interest rate increases). The value of the Notes (specially the Fixed Rate Notes) will be adversely affected if inflation and/or market interest rates subsequently increase above the rate paid on the Notes and the yield of the Notes (specially the Fixed Rate Notes) could drop below other available fixed-income investments. The yield of the Notes may be lower than the inflation rate. In addition, if market interest rates increase above the rate paid on the Notes (or even if there are expectations of increases in inflation levels), investors will demand higher yields on their fixed income investments such as the Notes and, in turn, this will lead to declines in the market prices of the Notes already issued, which could result in losses to investors who sell their Notes prior to maturity.

Investors should be aware that inflation and/or movements of market interest rates can adversely affect the yield and price of the Notes (specially the Fixed Rate Notes) and can lead to losses for the Holders if they sell the Notes.

***Notes subject to optional redemption by the Issuer***

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

Any optional redemption feature is likely to limit the market value of the relevant Notes. During any period when the Issuer may elect to redeem Notes, or during which there is an actual or perceived increased likelihood that the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period if the market believes that the relevant Notes may become eligible for redemption in the near term.

The optional redemption features that may be embedded in the terms and conditions of the Notes include:

- Redemption of Notes due to a Tax Event pursuant to Condition 9(b) (*Redemption due to a Tax Event*) of the Conditions of the Notes. Tax Event means a change in, or amendment to, the laws or regulations of the Kingdom of Spain, or any change in the official application or interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and that results in (a) the Issuer not being entitled to claim a deduction in computing taxation liabilities in the Kingdom of Spain in respect of any payments of interest in respect of the Notes or the value of such deduction to the Issuer being materially reduced; or (b) the Issuer being obliged to pay additional amounts pursuant to Condition 11 (*Taxation*) of the Conditions of the Notes; or (c) the applicable tax treatment of the Notes being materially affected, and, in each case, cannot be avoided by the Issuer taking reasonable measures available to it.
- Redemption of Tier 2 Subordinated Notes due to a Capital Event pursuant to Condition 9(c) (*Redemption due to a Capital Event*) of the Conditions of the Notes. Capital Event means a change (or any pending change which the Competent Authority considers sufficiently certain) in the regulatory classification of the Tier 2 Subordinated Notes which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Notes and that results (or would be likely to result) in (a) the exclusion of that all or part of the Outstanding Principal Amount of the Tier 2 Subordinated Notes from the Tier 2 Capital of the Issuer or the ABANCA Group (in each case, to the extent required by Applicable Banking Regulations); or (b) the reclassification of all or part of the Outstanding Principal Amount of the Tier 2 Subordinated Notes as a lower quality form of own funds of the Issuer or the ABANCA Group, in accordance with the Applicable Banking Regulations (in each case, to the extent required by Applicable Banking Regulations).

- Redemption of the Notes due to an Eligible Liabilities Event pursuant to Condition 9(d) (*Redemption due to an Eligible Liabilities Event*) of the Conditions of the Notes. Eligible Liabilities Event means, that, subject to certain exceptions that depend on the type of Notes, all or part of the Outstanding Principal Amount of the relevant Notes do not at any time prior to the Maturity Date fully qualify as MREL-Eligible Senior Preferred Instruments, as MREL-Eligible Senior Non-Preferred Instruments, or to comply with MREL Requirements (as defined in the Conditions of the Notes), as applicable, of the Issuer and/or the ABANCA Group.

Tier 2 Subordinated Notes where the "Eligible Liabilities Event" has been specified as applicable in the relevant Final Terms may be redeemed pursuant to an Eligible Liabilities Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

- Redemption of the Notes pursuant to Condition 9(g) (*Issuer Residual Call*) of the Conditions of the Notes if, at any time, the Outstanding Principal Amount of the Notes is equal or less of the Residual Percentage specified in the relevant Final Terms of the aggregate nominal amount of the Notes originally issued.

In addition, if in the case of any particular Notes the relevant Final Terms specify that the relevant Notes are redeemable at the Issuer's option on certain dates, the Issuer may redeem Notes when its cost of borrowing is lower than the interest rate on the Notes (redemption of Tier 2 Subordinated Notes at the option of the Issuer may only take place after five years from their date of issuance or any different minimum period permitted under Applicable Banking Regulations). At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Tier 2 Subordinated Notes are intended to be Tier 2 Instruments under the Applicable Banking Regulations and to qualify to comply with MREL Requirements in accordance with the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations (as defined in the Conditions of the Notes)) and Senior Subordinated Notes, Senior Non Preferred Notes and certain Ordinary Senior Notes may be intended to be Eligible Liabilities under the Applicable Banking Regulations. However, although the amendments to Law 11/2015 introduced by RDL 7/2021 are generally enforceable since 29 April 2021, there is still uncertainty as to how amendments introduced by it will be interpreted and applied. As a result, the Issuer cannot provide any assurance that Tier 2 Subordinated Notes will or may be (or thereafter remain) Tier 2 Instruments or that they will or may qualify to comply with MREL Requirements and that Senior Subordinated Notes, Senior Non Preferred Notes and certain Ordinary Senior Notes will or may be (or thereafter remain) Eligible Liabilities.

It is not possible to predict whether or not an event entitling the Issuer to redeem Notes will occur and if so whether or not the Issuer will elect to exercise such option to redeem the Notes or, when applicable, such redemption would comply with the Applicable Banking Regulations and any prior permission of the Competent Authority and/or Relevant Resolution Authority if and as applicable for such redemption will be given.

***Risks relating to EURIBOR and other "benchmarks". Whilst certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future, the market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Notes***

The determination of the interest in respect of floating rate Notes (including fixed-to-floating Notes) and Reset Notes may be dependent upon the Euro Interbank Offered Rate ("**EURIBOR**") or other rates, as specified in the Conditions, which are deemed to be "benchmarks". The "benchmarks" are the subject of ongoing national and international regulatory reform, including through the Benchmarks Regulation. Following the implementation of any such reforms, the manner of administration of benchmarks may change with the result that they may perform differently than in the past or other consequences which cannot be predicted. In this respect, the Benchmarks Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and, among other things imposes certain obligations and requirements (including an authorisation requirement for benchmark administrators and other extensive requirements and obligations, or a prevention of certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised/registered, deemed equivalent, recognised or endorsed).

In addition, the Benchmarks Regulation may result in a change in the methodology or other terms of the "benchmark", and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark. Moreover, the additional

requirements and obligations imposed by the Benchmarks Regulation may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks".

In the meantime, the use of risk-free rates - including the Euro Short-Term Rate ("€STR")-, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The European Central Bank (or their successors) as administrators of €STR may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, to the eligibility criteria applicable to the transactions used to calculate €STR, or to the timing related to the publication of €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of €STR or any related index. The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

In order to address the above-described risks, if a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Financial Adviser to determine a Successor Rate or, failing which, an Alternative Rate. Therefore, the initial "benchmark" may change and, in certain circumstances, an independent third party may not be involved in the determination of the Successor Rate or Alternative Rate, and of the Adjustment Spread.

In certain circumstances, the ultimate fallback for the purposes of calculation of interest for a particular Interest Period or Reset Period (as the case may be) may result in the rate of interest of the last preceding Interest Period or Reset Period (as the case may be) being used. This may result in effective application of a fixed rate of interest for Notes initially designated to be Floating Rate Notes or Reset Notes, as applicable.

The Conditions also provide that an Adjustment Spread may be determined by the Independent Financial Adviser or the Issuer, as applicable, and applied to such Successor Rate or Alternative Rate. However, such Adjustment Spread may not be effective to reduce the economic prejudice to Holders or it may not be possible to determine or apply an Adjustment Spread. Furthermore, if a Successor Rate or Alternative Rate is determined in accordance with the Conditions, the Independent Financial Adviser or the Issuer, as applicable, may also specify amendments to the Conditions of the Notes, as necessary, in order to follow market practice in relation to the Successor Rate or Alternative Rate and/or Adjustment Spread, without any requirement for consent or approval of the Holders.

The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread and also including any other amendment to the Conditions) may still result in the Notes performing differently (which may include payment of a lower rate of interest) than they would if the relevant Reference Rate or the Mid-Swap Floating Leg Benchmark Rate, as applicable, were to continue to apply.

Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, the Notes.

As regards the application of risk-free rates, the market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including

various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference ESTR or any related indices.

***Conflicts of interest between the Calculation Agent, Independent Financial Advisors or the Determination Agent and Holders***

Potential conflicts of interest may exist between the Calculation Agent (if any), Independent Financial Advisors (if eventually appointed), or the Determination Agent (if any) (jointly, the "**Third Parties**") and Holders, including with respect to certain determinations and judgements that the Third Parties may make pursuant to the Conditions (for example calculation of rates of interest payable under the Notes or the determination of Successor Rates or Alternative Rates in case of a Benchmark Event) which may influence the amounts that can be received by Holders. Conflicts of interest may arise, among others, when a dealer or the Issuer is appointed as a Third Party (it must be noted that the Issuer will act as Calculation Agent unless otherwise stated in the relevant Final Terms).

Any of the Third Parties may be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Third Party is expected to, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Holders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Holders.

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

Notes do not have an established trading market when issued (except maybe in the case of a particular Series to be consolidated with another Series which is already issued), and one may never develop. Although application may be made for the Notes to be admitted to listing on AIAF or other or further stock exchanges or markets (either Spanish, European or non-European, including regulated markets, multilateral trading facilities or any other organised markets), there can be no assurance that the listing will be approved or that, even if approved, an active trading market will develop (out of the total outstanding balance of Spanish private fixed income securities registered in AIAF at the end of December 2022, transactions executed in AIAF during 2022 only represented 0.021% (source: *Calculations by ABANCA based on public information disclosed by AIAF*)). If a market does develop, it may not be very liquid (for example, existing Tier 2 Instruments issuances of the Issuer listed on AIAF have a relative reduced liquidity) and may be sensitive to changes in financial markets.

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. This is particularly the case should the Issuer be or be perceived in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

***Green, Social or Sustainability Notes may not meet investor expectations or requirements***

No assurance is given by the Issuer, the Arranger or the dealers that the use of an amount equal to the whole or a part of the net proceeds of Green, Social or Sustainability Notes will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Sustainable Development Goals Framework of the Issuer, available for viewing on its website (including as amended, supplemented, restated or otherwise updated on such website from time to time) (<https://www.abancacorporacionbancaria.com/es/inversores/general/#programas-de-emision>)<sup>1</sup>. In addition, the

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<sup>1</sup> For the avoidance of doubt, the Sustainable Development Goals Framework of the Issuer shall not be deemed to be, incorporated in, and/or form part of, this Base Prospectus.

Issuer's Sustainable Development Goals Framework of the Issuer may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. In particular, no assurance can be given that the projects falling under the eligible green, sustainable and/or social categories, as the case may be, and aligned with the eligibility criteria set out in the Sustainable Development Goals Framework of the Issuer will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy**"), the EU Taxonomy Climate Delegated Act adopted by the EU Commission on 21 April 2021 (jointly, the "**EU Taxonomy Regulation**"), or any further regulations or standards that may be approved or created (including, for example, any standard resulting from the Regulation on a voluntary European Green Bond Standard (EUGBS) proposed by the European Commission on 6 July 2021 (the "**European Green Bond Regulation**"))).

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. The EU Taxonomy Regulation establishes a basis for the determination of such a definition in the EU. However, the EU Taxonomy remains subject to the implementation of delegated regulations by the European Commission on technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. Likewise, the draft European Green Bond Regulation, includes a set of requirements that bonds and notes shall comply with in order to be labelled as "European Green Bonds". However, as at the date of this Base Prospectus, it is unclear whether or not (i) the draft European Green Bond Regulation will be finally approved; and (ii) the draft European Green Bond Regulation will be subject to modifications or amendments before its approval. Therefore, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any eligible projects will meet any or all investor expectations or any other requirements regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objectives or requirements (including, without limitation, the requirements envisaged in the draft European Green Bond Regulation, if and to the extent finally approved), or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any eligible projects. In addition, there can be no assurance that any eligible projects will be available or capable of being implemented in the manner anticipated, or completed within any specified schedule, period or at all, or lead to an outcome (whether or not related to the environment) as originally expected or anticipated.

No representation or assurance is given as to the availability, suitability or reliability of any report, assessment, opinion or certification of any third party made available in connection with an issue of Green, Social or Sustainability Notes. Moreover, the criteria and/or considerations that formed the basis of any such opinion or certification may change at any time. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the dealers or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to, as at the date of issuance of the relevant Notes, apply an amount equal to the whole or a part of the net proceeds of any Green, Social or Sustainability Notes as described in the relevant Final Terms and obtain and publish the relevant reports, assessments, opinions and certifications, there is no contractual obligation to do so. There can be no assurance that the relevant project or use(s) the subject of, or related to, any project, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project or that the Issuer can obtain and publish the relevant reports, assessments, opinions or certifications. Nor can there be any assurance that any eligible projects will be completed within any specified period or at all, or that the maturity of an eligible green, social or sustainable asset or project will match the minimum duration of any such Green, Social or Sustainability Notes or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. The net proceeds of the issue of any Green, Social or Sustainability Notes which, from time to time, are not allocated are intended by the Issuer to be invested in cash or cash equivalent instruments according to its treasury management policy. The Issuer does not undertake to

ensure that there are at any time sufficient Eligible Green Business Lines or Eligible Social Business Lines to allow for allocation of a sum equal to the net proceeds of the issue of such Green, Social or Sustainability Notes in full.

None of the events described in the paragraphs above or a failure by the Issuer to allocate (at whatever point in time, including any subsequent reallocation) an amount equal to the whole or a part of the net proceeds of any Green, Social or Sustainability Notes, or a change in the allocation of any amount, or (if so anticipated) to report on the use of proceeds or eligible projects, or a failure of a third party to issue (or a withdrawal), or by the Issuer to provide or publish, a report, assessment, opinion or certification in connection with an issue of Green, Social or Sustainability Notes, or the failure of the Green, Social or Sustainability Notes to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels, or a disqualification of an eligible project from "green", "sustainable", "social" or similar labels, or if the performance of the eligible assets is not as expected, or the fact that the maturity of an eligible green or social asset or project may not match the minimum duration of the relevant Green, Social or Sustainability Notes will (i) constitute an event of default, or (ii) constitute a breach of contract with respect to any of the Green, Social or Sustainability Notes, or (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes, or (iv) affect the qualification of any Notes as Tier 2 capital or as eligible liabilities for the purposes of MREL or to comply with MREL Requirements (if applicable); or (v) give rise to any other claim or right (including, for the avoidance of doubt, the right to accelerate any Notes) of a holder of such Green, Social or Sustainability Notes against the Issuer or to any obligation or liability of the Issuer. Remedies available to holders of Green, Social or Sustainability Notes are the same as those available to other holders of Notes.

For the avoidance of doubt (i) Green, Social or Sustainability Notes will not, in any circumstance, accelerate or be subject to an early redemption right due to the "green", "sustainable" or "social" nature of the Notes, (ii) holders of Green, Social or Sustainability Notes will not be able exercise any right, and the Notes will not be subject to any acceleration or early redemption right, due to a failure by the Issuer to comply with any "green", "sustainable" or "social" target, and (iii) payments of principal and interest (as the case may be) on the relevant Green, Social or Sustainability Notes shall not depend on the performance of the relevant project or on compliance with general "green", "sustainable" or "social" targets at Issuer level, nor have any preferred right against such assets.

There will be no segregation of assets and liabilities in respect of the Green, Social and Sustainability Notes and the relevant projects or the performance of the Issuer in respect of any environmental or similar targets. Consequently, neither payments of principal and/or interest on the Green, Social and Sustainability Notes nor any rights of Noteholders shall depend on the performance of the relevant projects or the performance of the Issuer in respect of any such environmental or similar targets. Holders of any Green, Social and Sustainability Notes shall have no preferential rights or priority against the assets of any relevant project nor benefit from any arrangements to enhance the performance of the Notes.

Green, Social or Sustainability Notes will be subject to the bail-in tool and to write down and conversion powers, and in general to the powers that may be exercised by the Relevant Resolution Authority, to the same extent and with the same ranking as any other Note which is not a Green, Social or Sustainability Note.

Likewise, Green, Social and Sustainability Notes, as any other Notes, will be fully subject to the application of CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments and, as such, proceeds from Green, Social or Sustainability Notes qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer regardless of their "green", "social" or "sustainable" label and regardless of whether the losses stem from "green", "social" or "sustainable" assets. There will be no arrangement that will enhance the performance of Green, Social or Sustainability Notes. Additionally, their labelling as Green, Social or Sustainability Notes (i) will not affect the regulatory treatment of such Notes as Tier 2 capital or eligible liabilities for the purposes of MREL (as applicable), if such Notes are also Subordinated Notes, Senior Non-Preferred Notes or Ordinary Senior Notes intended to be Eligible Liabilities; and (ii) will not have any impact on their status as indicated in Condition 4 of the Conditions of the Notes.

A failure of the Green, Social or Sustainability Notes to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for eligible business lines (as described in the relevant Final Terms), the failure to provide, or the withdrawal of, a third party report, assessment, opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid or (if so anticipated) the failure by the Issuer to report on the use of proceeds or eligible projects (as described in the relevant Final Terms) as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio

mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

***The terms of the Notes contain a waiver of set-off rights***

The Conditions of the Notes provide that holders of Notes waive all rights of or claims o for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note against any right, claim, or liability the Issuer has or may have or acquire against such holder, directly or indirectly, howsoever arising. As a result, holders of Notes will not at any time be entitled to set off the Issuer's obligations under the Notes against obligations owed by them to the Issuer.

***Substitution and variation of the Notes without Holders' consent***

Subject to Condition 15 (*Substitution and Variation*) of the Conditions of the Notes, if a Tax Event, an Eligible Liabilities Event or a Capital Event has occurred and is continuing, the Issuer may, instead of redeeming the Notes, without any requirement for the consent or approval of the holders of the relevant Notes and subject to compliance with Applicable Banking Regulations and to obtaining the prior permission of the Competent Authority and/or Relevant Resolution Authority if and as applicable, (i) substitute all (but not some only) of the relevant Notes or (ii) vary the terms of all (but not some only) of the relevant Notes, without any requirement for the consent or approval of the holders of the relevant Notes, so that they are substituted for, or varied to become or remain, Qualifying Notes.

While Qualifying Notes must contain terms that are not materially less favourable to holders as the original terms of the relevant Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favourable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the relevant Notes would have traded on the basis of their original terms.

Moreover, prior to the making of any such substitution or variation, the Issuer shall not be obliged to have regard to the tax position of individual holders of the relevant Notes or to the tax consequences of any such substitution or variation for individual holders. No holder of Notes shall be entitled to claim, whether from the Issuer, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or variation upon individual holders of the Notes.

***Limitation on gross-up under Senior Non-Preferred Notes or Subordinated Notes and, if specified in the relevant Final Terms, under Ordinary Senior Notes***

For Senior Non-Preferred Notes and Subordinated Notes and, if specified in the relevant Final Terms, Ordinary Senior Notes, the Issuer's obligation to pay additional amounts in respect of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges required by law under the Conditions of the Notes does not apply in respect of the payment of any Outstanding Principal Amount. Accordingly, if any such withholding or deduction were to apply, holders of Senior Non-Preferred Notes or Subordinated Notes or, if specified in the relevant Final Terms, Ordinary Senior Notes may receive less than the full amount due under the relevant Notes upon redemption, and the market value of the relevant Notes may be adversely affected. Holders of Notes should note that Outstanding Principal Amount for these purposes will include any payments of premium.

## INFORMATION INCORPORATED BY REFERENCE

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

1. The Registration Document of ABANCA approved by the CNMV on 12 June 2023, available at ABANCA's website: <https://www.abancacorporacionbancaria.com/es/inversores/general/#programas-de-emision>.
2. The Terms and Conditions of the Notes set out on pages 25 to 75 of the base prospectus of ABANCA dated 2 June 2022 relating to the Programme under the heading "Terms and Conditions of the Notes", available at ABANCA's website (<https://www.abancacorporacionbancaria.com/files/documents/prospectus-jun-2022-es.pdf>). The remaining pages of the base prospectus of ABANCA dated 2 June 2022 relating to the Programme are either not relevant for the investor or superseded by information covered in this Base Prospectus.
3. The Terms and Conditions of the Notes set out on pages 41 to 85 of the base prospectus of ABANCA dated 15 July 2021 relating to the Programme under the heading "Terms and Conditions of the Notes", available at ABANCA's website (<https://www.abancacorporacionbancaria.com/files/documents/prospectus-jul-2021-es.pdf>). The remaining pages of the base prospectus of ABANCA dated 15 July 2021 relating to the Programme are either not relevant for the investor or superseded by information covered in this Base Prospectus.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on any website referred to in this Base Prospectus does not form part of this Base Prospectus and has not been scrutinised or approved by the CNMV.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which will be completed by the relevant Final Terms.

### 1. Introduction

- (a) *Programme*: ABANCA Corporación Bancaria, S.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €5,000,000,000 in aggregate principal amount of notes (the "**Notes**").

The Notes may be Fixed Rate Notes, Floating Rate Notes, Reset Notes or any combination thereof.

- (b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions of the Notes**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions of the Notes as complemented by the relevant Final Terms. In the event of any inconsistency between these Conditions of the Notes and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Paying Agency*: For Notes listed on AIAF, all payments under the Conditions of the Notes will be carried out directly by the Issuer through Iberclear (as defined below).
- (d) *Deed of Covenant*: The Notes governed by English law have the benefit of an English law-governed Deed of Covenant (the "**Deed of Covenant**") entered into by the Issuer on or around the date of this Base Prospectus. In the Deed of Covenant, the Issuer has covenanted in favour of each Holder (as defined below) of Notes governed by English law that it will duly perform and comply with the obligations expressed to be undertaken by it in these Conditions of the Notes.
- (e) *The Notes*: All subsequent references in these Conditions of the Notes to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the Issuer's website (<https://www.abancacorporacionbancaria.com/es/inversores/general/#programas-de-emision>).

### 2. Interpretation

- (a) *Definitions*: In these Conditions of the Notes the following expressions have the following meanings:

"**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org));

"**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

"**ABANCA Group**" means the Issuer together with its Subsidiaries;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Tier 1 Instrument**" means any contractually subordinated obligation (*créditos subordinados*) of the Issuer constituting an additional tier 1 capital instrument (*instrumento de*

*capital de nivel 1 adicional*) in accordance with the Applicable Banking Regulations and as referred to in Additional Provision 14.3.3° of Law 11/2015, as amended or replaced from time to time;

**"Adjustment Spread"** means either a spread (which may be positive or negative or zero), or a formula or methodology for calculating a spread, in either case, to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt in relation to the replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Financial Adviser or the Issuer, acting in good faith and in a reasonable commercial manner and following consultation with the Independent Financial Adviser in the event one has been appointed, as applicable, determines is in the customary market usage in the debt capital markets for transactions which reference the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (c) (if no such determination has been made), the Independent Financial Adviser or the Issuer, acting in good faith and in a reasonable commercial manner and following consultation with the Independent Financial Adviser in the event one has been appointed, as applicable, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (d) (if no such industry standard is recognised or acknowledged), the Independent Financial Adviser or the Bank, acting in good faith and in a reasonable commercial manner and following consultation with the Independent Financial Adviser in the event one has been appointed, as applicable, determines to be appropriate having regard to the objective, so far as reasonably practicable in the circumstances and solely for the purposes of this sub-paragraph (d), of reducing any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate or the Alternative Rate (as the case may be);

**"Aggregate Nominal Amount"** has the meaning given in the relevant Final Terms;

**"AIAF"** means the Spanish AIAF Fixed Income Market (*AIAF Mercado de Renta Fija*);

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Financial Adviser or the Issuer, acting in good faith and in a reasonable commercial manner and following consultation with the Independent Financial Adviser (in the event that one has been appointed), as applicable, determines in accordance with Condition 8 (*Benchmark Discontinuation*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate period and in the relevant currency;

**"Amounts Due"** means the principal amount of or outstanding amount, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes under Condition 11 (*Taxation*). References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Loss Absorbing Power by the Relevant Resolution Authority;

**"Applicable Banking Regulations"** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Issuer and/or the ABANCA Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies of the Competent Authority and/or the Relevant Resolution Authority relating to capital adequacy, resolution and/or solvency then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the ABANCA Group) (in all cases, as amended or replaced from time to time);

**"Applicable MREL Regulations"** means at any time the laws, regulations, requirements, guidelines and policies giving effect to the MREL including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those laws, regulations, requirements, guidelines and policies giving effect to the MREL, in each case to the extent then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the ABANCA Group) (in all cases, as amended from time to time);

**"Authorised Signatory"** means any authorised officer of the Issuer;

**"Bail-in Dispute"** has the meaning given in Condition 22(a)(iv) (*Governing Law and Jurisdiction — Rights of the Holders to take proceedings outside England*);

**"Bank's Certificate"** means a certificate signed by two Authorised Signatories of the Issuer stating that, in the opinion of the Issuer, (i) the changes determined pursuant to a substitution or variation of the Notes under Condition 15 (*Substitution and Variation*) will result in the Qualifying Notes having terms not materially less favourable to the Holders than the terms of the Notes the subject of substitution and variation and (ii) the differences between the terms and conditions of the Qualifying Notes and the terms and conditions of the Notes subject of substitution and variation are only those strictly necessary to (a) in the case of a Capital Event, comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer and/or the ABANCA Group, in accordance with the Applicable Banking Regulations; (b) in the case of a Tax Event, to cure the relevant Tax Event; and/or (c) in the case of an Eligible Liabilities Event, (x) in the case of Ordinary Senior Notes eligible to comply with MREL Requirements, comply with the then current requirements for MREL-Eligible Senior Preferred Instruments of the Issuer and/or the ABANCA Group; (y) in the case of Senior Non-Preferred Notes, comply with the then current requirements for MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the ABANCA Group; (z) in the case of Subordinated Notes, comply with the then current MREL Requirements, in each case in accordance with the Applicable MREL Regulations;

**"Benchmark Event"** means:

- (a) the relevant Mid-Swap Floating Leg Benchmark Rate or the relevant Reference Rate (as applicable) ceasing to be published for a period of at least five consecutive Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or of the relevant Reference Rate (as applicable) that it has ceased, or will, by a specified future date, cease, publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable)); or
- (c) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or of the relevant Reference Rate (as applicable), that such relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has been or will, by a specified future date, be permanently or indefinitely discontinued (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable)); or

- (d) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or of the relevant Reference Rate (as applicable) that means that such relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes, in each case within a specified future date; or
- (e) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) is or will be by a specified future date no longer representative of an underlying market and such representativeness will not be restored (as determined by such supervisor); or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Issuer or other party to calculate any payments due to be made to any Holder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (b), (c), (d) or (e) above and the "specified future date" in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified future date.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Calculation Agent, if different to the Issuer. For the avoidance of doubt, the Calculation Agent shall not have any responsibility for making such determination;

"**Benchmarks Regulation**" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended or replaced from time to time;

"**BRRD**" means Directive 2014/59/EU of 15 May, establishing the framework for the recovery and resolution of credit institutions and investment firms, as amended by BRRD II and as further amended or replaced from time to time, as implemented into Spanish law, and including any relevant implementing regulatory provisions;

"**BRRD II**" means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as amended or replaced from time to time;

"**Business Day**" means a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means the Issuer or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

**"Capital Event"** means a change (or any pending change which the Competent Authority considers sufficiently certain) in the regulatory classification of the Tier 2 Subordinated Notes which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes and that results (or would be likely to result) in:

- (a) the exclusion of that all or part of the Outstanding Principal Amount of the Tier 2 Subordinated Notes from the Tier 2 Capital of the Issuer or the ABANCA Group (in each case, to the extent required by Applicable Banking Regulations); or
- (b) the reclassification of all or part of the Outstanding Principal Amount of the Tier 2 Subordinated Notes as a lower quality form of own funds of the Issuer or the ABANCA Group, in accordance with the Applicable Banking Regulations (in each case, to the extent required by Applicable Banking Regulations);

**"Certificate"** has the meaning given in Condition 3(c) (*Form, Denomination, Title and Transfer—Title and Transfer*);

**"Chairperson"** has the meaning given to such term in Condition 17(d) (*Meeting of Holders; Modification and Waiver – Chairman*);

**"Clearstream, Luxembourg"** means Clearstream Banking, S.A.;

**"CNMV"** means the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*);

**"Code"** has the meaning given in Condition 10(b) (*Payments – Payments subject to fiscal laws*);

**"Competent Authority"** means the European Central Bank or the Bank of Spain, as applicable, or such other or successor authority having primary bank supervisory authority with respect to

prudential oversight and supervision in relation to the Issuer and/or the ABANCA Group, as applicable;

"**CRD IV**" means any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures (in all cases, as amended or replaced from time to time);

"**CRD IV Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended by CRD V Directive and as further amended or replaced from time to time, as implemented into Spanish law, and including any relevant implementing regulatory provisions;

"**CRD V Directive**" means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;

"**CRD IV Implementing Measures**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Competent Authority, the European Banking Authority or any other relevant authority, which are applicable to the Issuer and/or the ABANCA Group, as applicable, including, without limitation, Law 10/2014, as amended from time to time, Royal Decree 84/2015, as amended from time to time, and any other regulation, circular or guidelines implementing CRD IV;

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms, as amended by CRR II and as further amended or replaced from time to time;

"**CRR II**" means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, as amended or replaced from time to time;;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in these Conditions of the Notes or the relevant Final Terms and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in

a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

- (g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Agent**" means the agent specified as such in the relevant Final Terms as the party responsible for agreeing with the Issuer the Reset Reference Bond for Reset Notes;

"**Dispute**" has the meaning given in Condition 22(a)(ii) (*Governing Law and Jurisdiction — English courts*);

"**Early Redemption Amount**" means, in respect of any Note, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Eligible Liabilities**" means any liability which complies with the requirements set out in Applicable MREL Regulations to qualify as eligible liabilities for MREL purposes;

"**Eligible Liabilities Event**" means:

- (a) in respect of Ordinary Senior Notes eligible to comply with MREL Requirements, that all or part of the Outstanding Principal Amount of such Notes will not at any time prior to the Maturity Date fully qualify as MREL-Eligible Senior Preferred Instruments of the Issuer and/or the ABANCA Group, except where the non-qualification as MREL-Eligible Senior Preferred Instruments is due:
- (i) solely to the remaining maturity of such Notes (or effective remaining maturity where the Notes, for example, are subject to an Investor Put) being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain) as at the Issue Date; or
  - (ii) to the relevant Notes being bought back by or on behalf of the Issuer; or

- (iii) to a subordination requirement being applied by the Relevant Resolution Authority for such Notes to be eligible to comply with MREL Requirements; or
  - (iv) there being insufficient headroom for such Notes to qualify as Eligible Liabilities within prescribed limits established by Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain);
- (b) in respect of Senior Non-Preferred Notes, that all or part of the Outstanding Principal Amount of such Notes will not at any time prior to the Maturity Date fully qualify as MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the ABANCA Group, except where the non-qualification as MREL-Eligible Senior Non-Preferred Instruments is due:
- (i) solely to the remaining maturity of such Notes (or effective remaining maturity where the Notes, for example, are subject to an Investor Put) being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain) as at the Issue Date; or
  - (ii) to the relevant Notes being bought back by or on behalf of the Issuer; and
- (c) in respect of Subordinated Notes, that all or part of the Outstanding Principal Amount of such Notes will not at any time prior to the Maturity Date fully qualify to comply with MREL Requirements of the Issuer and/or the ABANCA Group, except where the non-qualification is due:
- (i) solely to the remaining maturity of such Notes (or effective remaining maturity where the Notes, for example, are subject to an Investor Put) being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain) as at the Issue Date; or
  - (ii) to the relevant Notes being bought back by or on behalf of the Issuer.
- (d) An Eligible Liabilities Event shall, without limitation, be deemed to include where such non-qualification as MREL-Eligible Senior Preferred Instruments, as MREL-Eligible Senior Non-Preferred Instruments or to comply with MREL Requirements, as applicable, arises as a result of (a) any Spanish legislation implementing or giving effect to the EU Banking Reforms differing in any respect from the form of the EU Banking Reforms as adopted (including if the EU Banking Reforms are not implemented in full in the Kingdom of Spain), or (b) the official interpretation or application of the EU Banking Reforms or the EU Banking Reforms as implemented in the Kingdom of Spain (including any interpretation or pronouncement by any relevant court, tribunal or authority) differing in any respect from the manner in which the EU Banking Reforms have been reflected in these Conditions of the Notes;

**"Eligible Persons"** means those Holders or persons (being duly appointed proxies or representatives of such Holders) that are entitled to attend and vote at a meeting of the Holders, for the purposes of which no person shall be entitled to vote at any such meeting in respect of Notes held by or for the benefit, or on behalf, of the Issuer or any of its Subsidiaries;

**"EU Banking Reforms"** means the CRD V Directive, the BRRD II, the CRR II and the SRM Regulation II;

**"EURIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements

from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"**Euroclear**" means Euroclear Bank SA/NV;

"**Extraordinary Resolution**" has the meaning given in Condition 17 (*Meeting of Holders; Modification and Waiver*);

"**FATCA**" has the meaning given in Condition 10(b) (*Payments – Payments subject to fiscal laws*);

"**FATCA Withholding Tax**" has the meaning given in Condition 10(b) (*Payments – Payments subject to fiscal laws*);

"**Final Redemption Amount**" means, in respect of any Note, its Outstanding Principal Amount or such other amount as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**First Margin**" means the margin specified as such in the relevant Final Terms;

"**First Reset Date**" means the date specified in the relevant Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date or date of any final redemption;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 6 (*Reset Note Provisions*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin, adjusted as necessary;

"**Green, Social or Sustainability Notes**" has the meaning given in Condition 13 (*Green, Social or Sustainability Notes*);

"**Green, Social or Sustainability Notes Use of Proceeds Disclosure**" has the meaning given in Condition 13 (*Green, Social or Sustainability Notes*);

"**Holder**" has the meaning given in Condition 3(c) (*Form, Denomination, Title and Transfer – Title and Transfer*);

"**IA Determination Cut-off Date**" has the meaning given in Condition 8 (*Benchmark Discontinuation*);

"**Iberclear**" means the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal;

"**Iberclear Members**" has the meaning given in Condition 3(c) (*Form, Denomination, Title and Transfer – Title and Transfer*);

"**Independent Financial Adviser**" means an independent financial firm or financial adviser with appropriate expertise or financial institution of international repute appointed by the Issuer at its own expense. Independent Financial Advisers conduct functions in connection with the calculation of the Rate of Interest in the case of Floating Rate Note Provisions (as provided under Condition 7 (*Floating Rate Note Provisions*)), discontinuation of benchmarks (as provided under Condition 8 (*Benchmark Discontinuation*)) and the substitution and variation of Notes (as provided under Condition 14 (*Substitution and Variation*));

"**Independent Financial Adviser Certificate**" means a certificate signed by a representative of an Independent Financial Adviser stating that, in the opinion of such Independent Financial Adviser, (i) the changes determined by the Issuer pursuant to a substitution or variation of the

Notes under Condition 15 (*Substitution and Variation*) will result in the Qualifying Notes having terms not materially less favourable to the Holders than the terms of the Notes the subject of substitution and variation and (ii) the differences between the terms and conditions of the Qualifying Notes and the terms and conditions of the Notes the subject of substitution and variation are only those strictly necessary to (a) in the case of a Capital Event, comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer and/or the ABANCA Group, in accordance with the Applicable Banking Regulations; (b) in the case of a Tax Event, to cure the relevant Tax Event; and/or (c) in the case of an Eligible Liabilities Event, (x) in the case of Ordinary Senior Notes eligible to comply with MREL Requirements, comply with the then current requirements for MREL-Eligible Senior Preferred Instruments of the Issuer and/or the ABANCA Group; (y) in the case of Senior Non-Preferred Notes, comply with the then current requirements for MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the ABANCA Group; (z) in the case of Subordinated Notes, comply with the then current MREL Requirements, in each case in accordance with the Applicable MREL Regulations;

**"Initial Rate of Interest"** has the meaning specified in the relevant Final Terms;

**"Insolvency Law"** means the restated text of the Spanish insolvency law, approved by Royal Legislative Decree 1/2020, of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*);

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA"** means the International Swaps and Derivatives Association, Inc.;

**"ISDA Definitions"** has the meaning given in the relevant Final Terms;

**"ISIN"** means International Securities Identification Number Code.

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"Law 10/2014"** means Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended or replaced from time to time;

**"Law 11/2015"** means Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de*

*entidades de crédito y empresas de servicios de inversión*), as amended or replaced from time to time;

**"Loss Absorbing Power"** means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) the SRM Regulation and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations of such Regulated Entity (or affiliate of such Regulated Entity);

**"Margin"** means:

- (a) in the case of Notes in relation to which Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, the margin(s) specified in the relevant Final Terms; and
- (b) in the case of Notes in relation to which Reset Note Provisions are specified in the relevant Final Terms as being applicable, the First Margin and/or the Subsequent Margin(s), as the case may be, as specified in the relevant Final Terms;

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Mid-Swap Maturity"** has the meaning given in the relevant Final Terms;

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency));

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means the rate as specified in the relevant Final Terms;

**"Mid-Swap Rate"** means, in relation to a Reset Determination Date and subject to Condition 6 (*Reset Note Provisions*), either:

- (a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
  - (i) with a term equal to the relevant Reset Period; and
  - (ii) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

- (b) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency;

- (i) with a term equal to the relevant Reset Period; and
- (ii) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the Relevant Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

**"Minimum Rate of Interest"** for any Interest Period has the meaning given in the Final Terms but shall never be less than zero, including any relevant margin;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"MREL"** means the "minimum requirement for own funds and eligible liabilities" for credit institutions under the BRRD, set in accordance with Article 45 of the BRRD (as transposed in Spain), Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016, supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities, or any successor requirement under EU legislation and relevant implementing legislation and regulation in the Kingdom of Spain;

**"MREL-Eligible Senior Preferred Instrument"** means an instrument included in the Eligible Liabilities which are available to meet the MREL Requirements for the purposes of the Applicable MREL Regulations where such instrument ranks *pari passu* with the Senior Preferred Obligations of the Issuer;

**"MREL-Eligible Senior Non-Preferred Instrument"** means an instrument included in the Eligible Liabilities which are available to meet the MREL Requirements for the purposes of the Applicable MREL Regulations where such instrument ranks *pari passu* with the Senior Non-Preferred Obligations of the Issuer;

**"MREL Requirements"** means the minimum requirement for own funds and eligible liabilities applicable to the Issuer and/or the ABANCA Group under Applicable MREL Regulations;

**"Optional Redemption Amount"** means, in respect of any Note, its Outstanding Principal Amount or such other amount as may be specified in the relevant Final Terms if Call Option, Issuer Residual Call or Put Option are specified as applicable in the relevant Final Terms;

**"Optional Redemption Date (Call)"** means any date so specified in the relevant Final Terms and/or any date falling in the Optional Redemption Period (call) specified in the relevant Final Terms, the first and last days inclusive;

**"Optional Redemption Period (call)"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Final Terms;

**"Ordinary Senior Notes"** has the meaning given in Condition 4(a) (*Status — Status of the Ordinary Senior Notes*);

**"outstanding"** means, in relation to the Notes, all the Notes issued other than those Notes (a) that have been redeemed; (b) that have been purchased (or acquired) and cancelled; (c) that have been substituted and cancelled or (d) that have become void or in respect of which claims have prescribed, provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of Holders; and
- (b) the determination of how many and which Notes are for the time being outstanding for the purposes of Condition 17 (*Meeting of Holders; Modification and Waiver*),

those Notes (if any) which are for the time being held by or for the benefit of the Issuer or any of its Subsidiaries shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**"Outstanding Principal Amount"** means the principal amount of the Note on the Issue Date as reduced by any partial redemptions or repurchases from time to time or as adjusted as required by, or in application of, the Applicable Banking Regulations;

**"Payment Business Day"** means any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means the principal financial centre of such member state of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Proceedings"** has the meaning given in Condition 22(a)(iv) (*Governing Law and Jurisdiction — Rights of the Holders to take proceedings outside England*);

**"Put Option Notice"** means a notice which must be delivered to the relevant Iberclear Member by any Holder wanting to exercise a right to redeem a Note at the option of the Holder;

**"Qualifying Notes"** means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer where such securities:

- (a) have terms not materially less favourable to the Holders than the terms of the Notes with any differences between their terms and conditions and these Conditions of the Notes being those strictly necessary to (i) in the case of a Capital Event, comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer and/or the ABANCA Group, in accordance with the Applicable Banking Regulations; (ii) in the case of a Tax Event, to cure the relevant Tax Event; and/or (iii) in the case of an Eligible Liabilities Event, (x) in the case of Ordinary Senior Notes eligible to comply with MREL Requirements, comply with the then current requirements for MREL-Eligible Senior Preferred Instruments of the Issuer and/or the ABANCA Group; (y) in the case of Senior Non-Preferred Notes, comply with the then current requirements for MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the ABANCA Group; (z) in the case of Subordinated Notes, comply with the then current MREL Requirements, in each case in accordance with the Applicable MREL Regulations; and
- (b) subject to (i) above, shall (1) have a ranking which is the same as or higher than the ranking of the Notes set out in the relevant Final Terms, (2) have the same currency, the same (or higher) Rate of Interest and the same Interest Payment Dates as those from time to time applying to the Notes prior to the relevant substitution or variation, (3) have the same maturity date and redemption rights as for the Holders; (4) preserve any existing rights under the Notes to any accrued interest or other amounts which have not been paid; (5) are assigned (or maintain) at least the same solicited credit ratings as were assigned to the Notes immediately prior to such variation or substitution, and (7) not, immediately following such substitution or variation, be subject to (i) in the case of Senior Notes and Subordinated Notes, an Eligible Liabilities Event or a Tax Event; and (ii) in the case of Tier 2 Subordinated Notes, a Capital Event or a Tax Event; and
- (c) are (i) listed and admitted to trading on AIAF or (ii) listed on a Recognised Stock Exchange, if the Notes were listed immediately prior to such variation or substitution.

Any variation in the ranking of the relevant Notes as set out in Condition 4 (*Status*) resulting from any such substitution or modification shall not be subject to the condition of not being materially less favourable to the interests of the Holders of the Notes where the ranking of such

Notes following such substitution or modification is at least the same ranking as is applicable to such Notes under Condition 4 (*Status*) on the issue date of such Notes;

**"Rate of Interest"** means (i) in the case of Notes other than Reset Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions of the Notes and/or the relevant Final Terms; and (ii) in the case of Reset Notes, the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

**"Rating Agency"** means any of S&P Global Ratings Europe Limited, Moody's Investors Service España, S.A., Fitch Ratings Ireland Limited or DBRS Ratings GmbH or their respective successors;

**"Recognised Stock Exchange"** means a regulated, regularly operating, recognised stock exchange or securities market in an OECD member state;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**"Reference Banks"** means four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

**"Reference Bond Price"** means, with respect to any Reset Determination Date (i) the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations;

**"Reference Bond Rate"** means, with respect to any Reset Period, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reset Determination Date, as determined by the Calculation Agent, provided that if only one Reference Government Bond Dealer Quotation is received or if no Reference Government Bond Dealer Quotations are received in respect of the determination of the Reference Bond Price, the Rate of Interest shall not be determined by reference to the Reference Bond Rate and the Rate of Interest shall instead be, in the case of the First Reset Rate of Interest, the Initial Rate of Interest and, in the case of any Subsequent Reset Rate of Interest, the Rate of Interest as at the last preceding Reset Date (though substituting, where a different Margin is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the Margin relating to the relevant Reset Period, in place of the Margin relating to that last preceding Reset Period);

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with the Calculation Agent) or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to any Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

**"Reference Rate"** means EURIBOR or €STR as specified in the relevant Final Terms in respect of the period specified in the relevant Final Terms. The term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 8 (*Benchmark Discontinuation*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently

in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Regulated Entity"** means any entity to which BRRD, as implemented in Spain (including but not limited to, by Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) and as amended or superseded from time to time, or any other Spanish piece of legislation relating to the Loss Absorbing Power, applies, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies;

**"Relevant Date"** means, in relation to any payment, the date on which the payment in question first becomes due;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"relevant Holders"** has the meaning give in Condition 17(b)(i) (*Meeting of Holders; Modification and Waiver - Convening meetings - Meetings convened by the Issuer*);

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

**"Relevant Resolution Authority"** means the *Fondo de Resolución Ordenada Bancaria (FROB)*, the Single Resolution Board (SRB) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Loss Absorbing Power from time to time;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Reset Date"** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable), in each case as adjusted (if so specified in the relevant Final Terms) in accordance with Condition 5 (*Fixed Rate Note Provisions*) as if the relevant Reset Date was an Interest Payment Date;

**"Reset Determination Date"** means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period, or in each case as specified in the relevant Final Terms;

**"Reset Determination Time"** means in relation to a Reset Determination Date, 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date or such other time as may be specified in the relevant Final Terms;

**"Reset Note"** means a Note that bears interest at an initial fixed rate of interest from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest, that will be reset as described in Condition 6 (*Reset Notes Provisions*) on the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter;

**"Reset Period"** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**"Reset Reference Bond"** means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be deemed to be Germany) agreed between the Issuer and the Determination Agent as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer, after consultation with the Determination Agent) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

**"Reset Reference Rate"** means either (i) the Mid-Swap Rate, or (ii) the Reference Bond Rate, as specified in the relevant Final Terms;

**"Royal Decree 84/2015"** means Royal Decree 84/2015, of 13 February, implementing Law 10/2014 (*Real Decreto 84/2015, de 13 de febrero, por el que se desarrolla la Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended or replaced from time to time;

**"Royal Decree 1012/2015"** means Royal Decree 1012/2015, of 6 November, developing Law 11/2015 (*Real Decreto 1012/2015, de 6 de noviembre, por el que se desarrolla la Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión, y por el que se modifica el Real Decreto 2606/1996, de 20 de diciembre, sobre fondos de garantía de depósitos de entidades de crédito*), as amended or replaced from time to time;

**"Second Reset Date"** means the date specified in the relevant Final Terms;

**"Senior Non-Preferred Notes"** has the meaning given in Condition 4(b) (*Status - Status of the Senior Non-Preferred Notes*);

**"Senior Non-Preferred Obligations"** means any obligation of the Issuer with respect to any non-preferred ordinary claims (*créditos ordinarios no preferentes*) against the Issuer referred to under Additional Provision 14.2 of Law 11/2015 and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non-Preferred Obligations;

**"Senior Notes"** has the meaning given in Condition 4(b) (*Status - Status of the Senior Non-Preferred Notes*);

"**Senior Preferred Obligations**" means any obligations of the Issuer with respect to any ordinary claims (*créditos ordinarios*) against the Issuer, other than Senior Non-Preferred Obligations;

"**Senior Subordinated Notes**" has the meaning given in Condition 4(c) (*Status - Status of the Subordinated Notes*);

"**Spanish Central Registry**" has the meaning given in Condition 3(c) (*Form, Denomination, Title and Transfer —Title and Transfer*);

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**SRM Regulation**" means Regulation (EU) No 806/2014, of 15 July, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended by SRM Regulation II and as further amended or replaced from time to time;

"**SRM Regulation II**" means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms;

"**Stay Powers**" has the meaning given in Condition 21 (*Recognition of Stay Powers*);

"**Subordinated Notes**" has the meaning given in Condition 4(c) (*Status — Status of the Subordinated Notes*);

"**Subsequent Margin**" means the margin specified as such in the relevant Final Terms;

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 6 (*Reset Note Provisions*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin, adjusted as necessary;

"**Subsidiary**" means any entity over which another entity has, directly or indirectly, control in accordance with Article 42 of the Spanish Commercial Code (*Código de Comercio*), Rule 43 of Circular 4/2017, of 27 November, of the Bank of Spain and Applicable Banking Regulations;

"**Successor Rate**" means a successor to or replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) which is formally recommended by any Relevant Nominating Body;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**Tax Event**" means a change in, or amendment to, the laws or regulations of the Kingdom of Spain, or any change in the official application or interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and that results in:

- (a) the Issuer not being entitled to claim a deduction in computing taxation liabilities in Spain in respect of any payments of interest in respect of the Notes or the value of such deduction to the Issuer being materially reduced; or
- (b) the Issuer being obliged to pay additional amounts pursuant to Condition 11 (*Taxation*); or
- (c) the applicable tax treatment of the Notes being materially affected,

and, in each case, cannot be avoided by the Issuer taking reasonable measures available to it;

"**Tier 2 Capital**" means Tier 2 capital (*capital de nivel 2*) as provided under the Applicable Banking Regulations;

"**Tier 2 Instrument**" means any contractually subordinated obligation (*créditos subordinados*) of the Issuer in accordance with Article 281.1.2º of the Insolvency Law constituting a tier 2 capital instrument (*instrumento de capital de nivel 2*) in accordance with the Applicable Banking Regulations and as referred to in Additional Provision 14.3.2º of Law 11/2015;

"**Tier 2 Subordinated Notes**" has the meaning given in Condition 4(c) (*Status — Status of the Subordinated Notes*); and

"**Waived Set-Off Rights**" means any and all rights of or claims of any Holder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note.

- (b) *Interpretation*: In these Conditions of the Notes:
  - (i) any reference to principal shall be deemed to include the Redemption Amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions of the Notes;
  - (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions of the Notes;
  - (iii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
  - (iv) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended, restated or replaced.

### 3. **Form, Denomination, Title and Transfer**

- (a) *Form and denomination*: The Notes are issued in uncertified, dematerialised book-entry form (*anotaciones en cuenta*) in the Aggregate Nominal Amount, in the Specified Denomination and in the Specified Currency, provided that the minimum Specified Denomination shall be €100,000.
- (b) *Registration, clearing and settlement*: The Notes will be registered with Iberclear, which is the Spanish central securities depository, with its registered office at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold the Notes through bridge accounts maintained by each of Euroclear and Clearstream, Luxembourg with Iberclear. Iberclear will manage the settlement of the Notes, notwithstanding the Issuer's commitment to assist, when appropriate, on the settlement of the Notes through Euroclear and Clearstream, Luxembourg.

The information concerning the ISIN of the Notes will be stated in the Final Terms.

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

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 treated as the legitimate owner (titular legítimo) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

#### 4. Status

The Notes are not, and will not be, secured and are the obligations of the Issuer and not guaranteed by any other entity.

The relevant Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes and, in the case of Senior Notes, Ordinary Senior Notes ("**Ordinary Senior Notes**") or Senior Non-Preferred Notes ("**Senior Non-Preferred Notes**"), and in the case of Subordinated Notes, Senior Subordinated Notes ("**Senior Subordinated Notes**") or Tier 2 Subordinated Notes ("**Tier 2 Subordinated Notes**").

The payment obligations of the Issuer under the Notes are subject to, and may be limited by, the exercise of any power pursuant to Law 11/2015, Royal Decree 1012/2015, the SRM Regulation or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Spain. The Notes are not subject to any set-off or netting arrangements that would undermine their capacity to absorb losses in resolution. The Notes are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

- (a) *Status of the Ordinary Senior Notes*:

The payment obligations of the Issuer in respect of principal under Notes which specify their status as Ordinary Senior Notes in the relevant Final Terms constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer (*créditos ordinarios*).

Therefore, in accordance with the Insolvency Law and Additional Provision 14.2 of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer, the payment obligations of the Issuer under the Ordinary Senior Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 281.1 of the Insolvency Law) will rank:

- (i) **senior** to (A) any Senior Non-Preferred Obligations and (B) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281.1 of the Insolvency Law (or equivalent legal provision which replaces it in the future); and
- (ii) **pari passu** among themselves and with any other Senior Preferred Obligations.

*Ordinary claims (créditos ordinarios) rank below claims against the insolvency estate (créditos contra la masa) and claims with a privilege (créditos privilegiados) (including, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015) which shall be paid in full before ordinary claims (créditos ordinarios). Ordinary claims (créditos ordinarios) rank above subordinated claims (créditos subordinados) and the rights of shareholders.*

*Pursuant to Article 152 of the Insolvency Law, accrual of interest under Ordinary Senior Notes shall be suspended from the date of declaration of the insolvency of the Issuer. Claims of Holders of Ordinary Senior Notes in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims (créditos subordinados) against the Issuer ranking in accordance with the provisions of Article 281.1.3° of the Insolvency Law.*

(b) *Status of the Senior Non-Preferred Notes:*

The payment obligations of the Issuer in respect of principal under Notes which specify their status as Senior Non-Preferred Notes in the relevant Final Terms constitute direct, unconditional and unsecured non preferred ordinary claims (*créditos ordinarios no preferentes*) under Additional Provision 14.2 of Law 11/2015. It is expressly stated for the purposes of Additional Provision 14.2 of Law 11/2015 that, upon the insolvency of the Issuer, the Senior Non-Preferred Notes will rank below any other ordinary claims (*créditos ordinarios*) (other than non-preferred ordinary claims (*créditos ordinarios no preferentes*)) against the Issuer and accordingly, claims in respect of the Senior Non-Preferred Notes shall be paid after payment of any such other ordinary claims (*créditos ordinarios*) (other than non-preferred ordinary claims (*créditos ordinarios no preferentes*)) against the Issuer.

Therefore, in accordance with the Insolvency Law and Additional Provision 14.2 of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer, the payment obligations of the Issuer under the Senior Non-Preferred Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 281.1 of the Insolvency Law) will rank:

- (i) **senior** to any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281.1 of the Insolvency Law (or equivalent legal provision which replaces it in the future);
- (ii) **pari passu** among themselves and with any other Senior Non-Preferred Obligations; and
- (iii) **junior** to any Senior Preferred Obligations.

*Non-preferred ordinary claims (créditos ordinarios no preferentes) rank below claims against the insolvency estate (créditos contra la masa), claims with a privilege (créditos privilegiados) (including, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015) and the rest of ordinary claims (créditos ordinarios) which shall be paid in full before non-preferred ordinary claims (créditos ordinarios no preferentes). Non-preferred ordinary claims (créditos ordinarios no preferentes) rank above subordinated claims (créditos subordinados) and the rights of shareholders.*

*Pursuant to Article 152 of the Insolvency Law, accrual of interest under Senior Non-Preferred Notes shall be suspended from the date of declaration of the insolvency of the Issuer. Claims of Holders of Senior Non-Preferred Notes in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims (créditos subordinados) against the Issuer ranking in accordance with the provisions of Article 281.1.3° of the Insolvency Law.*

(c) *Status of the Subordinated Notes:*

The payment obligations of the Issuer under Notes which specify their status as Subordinated Notes in the relevant Final Terms ("**Subordinated Notes**", which may be, in turn, Senior

Subordinated Notes ("**Senior Subordinated Notes**") or Tier 2 Subordinated Notes ("**Tier 2 Subordinated Notes**"), as specified in the relevant Final Terms) constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Issuer. In accordance with Article 281.1 of the Insolvency Law and Additional Provision 14.3 of Law 11/2015 (but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise)), upon the insolvency of the Issuer the payment obligations of the Issuer under the Subordinated Notes will rank as follows:

- (a) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes do not constitute Tier 2 Instruments of the Issuer, payment obligations of the Issuer in respect of principal thereunder will rank:
  - (i) **senior** to (i) any claims in respect of contractually subordinated obligations (*créditos subordinados*) of the Issuer qualifying as Additional Tier 1 Instruments or Tier 2 Instruments; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under the Senior Subordinated Notes;
  - (ii) **pari passu** among themselves and with (i) all other claims for principal in respect of contractually subordinated obligations (*créditos subordinados*) of the Issuer not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments and which are not subordinated obligations under Articles 281.1.4<sup>o</sup> to 281.1.7<sup>o</sup> of the Insolvency Law; and (ii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the Senior Subordinated Notes; and
  - (iii) **junior** to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any claim for principal with respect to Senior Non-Preferred Obligations); and (ii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, and to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the Senior Subordinated Notes.
- (b) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes constitute Tier 2 Instruments of the Issuer, payment obligations of the Issuer thereunder would rank:
  - (i) **senior** to (i) any claims in respect of contractually subordinated obligations (*créditos subordinados*) of the Issuer qualifying as Additional Tier 1 Instruments; and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under Tier 2 Instruments;
  - (ii) **pari passu** among themselves and with (i) any other contractually subordinated obligations (*créditos subordinados*) of the Issuer qualifying as Tier 2 Instruments; and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under Tier 2 Instruments; and
  - (iii) **junior** to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any Senior Non-Preferred Obligations); and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer included under Article 281.1 of the Insolvency Law (including the Senior Subordinated Notes) not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments.

*Pursuant to Additional Provision 14.3 of Law 11/2015, all claims arising from Tier 2 Instruments (which is expected to be the case for Tier 2 Subordinated Notes), even if they are only partly recognised as Tier 2 Instruments will rank behind any other*

*subordinated claims (créditos subordinados) included under article 281.1 of the Insolvency Law and will be paid after them.*

*Pursuant to Article 152 of the Insolvency Law, accrual of interest under Subordinated Notes shall be suspended from the date of declaration of the insolvency of the Issuer. Claims of Holders of Subordinated Notes in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims (créditos subordinados) against the Issuer ranking in accordance with the provisions of Article 281.1.3° of the Insolvency Law, which in the case of Tier 2 Subordinated Notes must read in conjunction with the Additional Provision 14.3 of Law 11/2015.*

## **5. Fixed Rate Note Provisions**

- (a) *Application:* This Condition 5 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest on their Outstanding Principal Amount from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgment) until 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 Holder.
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount.
- (d) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 5(d) shall apply to Notes which are Fixed Rate Notes only where the Final Terms for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. Except for any Interest Period for which a Fixed Coupon Amount and/or Broken Amount is specified in the relevant Notes Final Terms, the relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer (if applicable) and to the Holders in accordance with Condition 19 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.
- (e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## **6. Reset Note Provisions**

- (a) *Application:* This Condition is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes shall bear interest on their Outstanding Principal Amount:

- (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the Interest Payment Date(s) so specified in the relevant Final Terms (subject to adjustment as described in Condition 5 (*Fixed Rate Note Provisions*)) and on the Maturity Date and subject further as provided in Condition 10 (*Payments*)).

- (c) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (d) *Rate of Interest:* The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 5 (*Fixed Rate Note Provisions*).
- (e) *Fallbacks:* If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (other than in the circumstances provided for in Condition 8 (*Benchmark Discontinuation*)), the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 12 (noon) in the Relevant Financial Centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest (though substituting, where a different Margin is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the Margin relating to the relevant Reset Period, in place of the Margin relating to that last preceding Reset Period).

- (f) *Publication:* The Calculation Agent will cause each Rate of Interest determined by it to be notified to the Issuer (if applicable) and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Holders.
- (g) *Notifications, etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer (if applicable), the Holders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 7. Floating Rate Note Provisions

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest on their Outstanding Principal Amount from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until 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 Holder.
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which €STR or any related index is specified as Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:
- (A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (B) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
- (1) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (2) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;
- provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall (other than in the circumstances described in Condition 8 (*Benchmark Discontinuation*)) calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Financial Adviser appointed by the Issuer, and such Independent Financial Adviser acting in good faith and in a commercially reasonable manner, determines appropriate;
- (C) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (D) and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that, if, in the case of (A) above, such rate does not appear on that page or, in the case of (C) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (other than in the circumstances described in Condition 8 (*Benchmark Discontinuation*)) will:
- (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an

amount that is representative for a single transaction in that market at that time; and

(2) provide such quotations to the Calculation Agent who shall determine the arithmetic mean of such quotations; and

(E) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, requested and selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(1) the Floating Rate Option is as specified in the relevant Final Terms;

(2) the Designated Maturity, if applicable, is a period specified in the relevant Final Terms;

(3) the relevant Reset Date, unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions;

(4) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(i) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(ii) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

**provided, however, that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall (other than in the circumstances described in Condition 8 (*Benchmark Discontinuation*)) calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent

Financial Adviser appointed by the Issuer, and such Independent Financial Adviser acting in good faith and in a commercially reasonable manner, determines appropriate.

- (5) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Final Terms and:
- (i) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;
  - (ii) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or
  - (iii) if Compounding with Lock-out is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lock-out is the Overnight Rate Compounding Method, (b) Lock-out is the number of Lock-out Period Business Days specified in the relevant Final Terms and (c) Lock-out Period Business Days, if applicable, are the days specified in the relevant Final Terms;
- (6) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Final Terms and:
- (i) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method, (b) Lookback is the number of Applicable Business Days as specified in the relevant Final Terms;
  - (ii) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or
  - (iii) if Averaging with Lock-out is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lock-out is the Overnight Rate Averaging Method, (b) Lock-out is the number of Lock-out Period Business Days specified in the relevant Final Terms and (c) Lock-out Period Business Days, if applicable, are the days specified in the relevant Final Terms; and
- (7) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;

(B) references in the ISDA Definitions to:

- (1) "**Confirmation**" shall be references to the relevant Final Terms;

- (2) "**Calculation Period**" shall be references to the relevant Interest Period;
  - (3) "**Termination Date**" shall be references to Maturity Date;
  - (4) "**Effective Date**" shall be references to the Interest Commencement Date; and
- (C) if the Final Terms specify "2021 ISDA Definitions" as being applicable:
- (1) "**Administrator/Benchmark Event**" shall be disapplied; and
  - (2) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback– Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".
- (D) Unless otherwise defined capitalised terms used in this Condition 7(d) shall have the meaning ascribed to them in the ISDA Definitions.
- (e) *Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*
- (A) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "€STR".
  - (B) Where "€STR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be calculated in accordance with Condition 7(e)(B)(1), Condition 7(e)(B)(2) or Condition 7(e)(B)(3), as applicable:
    - (1) Where the Calculation Method is specified in the relevant Final Terms as being "Compounded Daily €STR", the Rate of Interest for each Interest Period will be the Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
    - (2) Where the Calculation Method is specified in the relevant Final Terms as being "Compounded Daily €STR Index", the Rate of Interest for each Interest Period will be the Compounded Daily €STR Index plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
    - (3) Where the Calculation Method is specified in the relevant Final Terms as being "€STR Weighted Average", the Rate of Interest for each Interest Period will be the Weighted Average €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

The following definitions shall apply for the purposes of this Condition 7(e):

- (1) "**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"**d**" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

"**do**" means the number of TARGET Settlement Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"**€STR<sub>i</sub>**" means the €STR reference rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day "i".

"**i**" is a series of whole numbers from one to "do", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

"**n<sub>i</sub>**" for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

"**Observation Period**" means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first

day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to the Interest Period End Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes become due and payable);

"**Interest Period End Date**" shall have the meaning specified in the relevant Final Terms (or, if not so specified, the Interest Payment Date for such Interest Period); and

"p" for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified in the relevant Final Terms or, if no such period is specified, two TARGET Settlement Days.

- (2) "**Compounded Daily €STR Index**" means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the €STR as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily €STR rates administered by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) that is published or displayed on the website of the European Central Bank (or any successor administrator of such rate) or any successor source from time to time on the relevant Interest Determination Date (the "€STR Compounded Index") and will be calculated as follows (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left( \frac{\text{€STR Compounded Index}_{End}}{\text{€STR Compounded Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

Where:

"d" is the number of calendar days from (and including) the day in relation to which €STR Compounded IndexStart is determined to (but excluding) the day in relation to which €STR Compounded IndexEnd is determined;

"p" means the number of TARGET Settlement Days specified in the relevant Final Terms or, if no such period is specified, two TARGET Settlement Days.

"**€STR Compounded IndexStart**" means, with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling "p" TARGET Settlement Days prior to the first day of such Interest Period; and

"**€STR Compounded IndexEnd**" means with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling "p" TARGET Settlement Days prior to the Interest Period End Date (as defined above) for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes become due and payable).

- (3) "**Weighted Average €STR**" means the sum of the €STR reference rate (as defined for "Compounded Daily €STR") in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards).

For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Settlement Day shall be deemed to be the €STR reference rate in respect of the TARGET Settlement Day immediately preceding such calendar day.

- (C) Subject to Condition 8 (*Benchmark Discontinuation*) and subject to Condition 7(e)(D), if, where any Rate of Interest is to be calculated pursuant to Condition 7(e)(B) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (D) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 7(e)(B)(2), if the relevant €STR Compounded Index is not published or displayed by the European Central Bank (or any successor administrator of such rate) reference rate or other information service by 5.00 p.m. (Frankfurt time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the European Central Bank (or any successor administrator of €STR) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the €STR Compounded Index is not available in accordance with Condition 7(e)(B)(1) above and for these purposes the Observation Method shall be deemed to be "Observation Shift".
- (E) Subject to Condition 8 (*Benchmark Discontinuation*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition, the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).
- (f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means one cent.
- (h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer (if applicable) and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination. Notice thereof shall also promptly be given to the Holders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer (if applicable), the Holders and (subject as aforesaid) no liability to any such Person will attach to

the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

- (j) *Determination of Rate of Interest following acceleration:* If (i) the Notes become due and payable in accordance with Condition 12 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period during which the Notes become due and payable is to be determined by reference to Condition 7(c), then the final Interest Determination Date shall be the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in the Conditions of the Notes.

## 8. **Benchmark Discontinuation**

Notwithstanding the foregoing provisions of Condition 6(e) (*Reset Note Provisions*) or Condition 7 (*Floating Rate Note Provisions*), if a Benchmark Event occurs when any Rate of Interest (or any component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or a Reference Rate (as applicable), then the following shall apply:

- (i) The Issuer shall use its reasonable endeavours to appoint an Independent Financial Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any (in accordance with subparagraph (iv) below) no later than three Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "IA Determination Cut-off Date") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 8).
- (ii) If (i) the Issuer is unable to appoint an Independent Financial Adviser or (ii) the Independent Financial Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8.(i) prior to the IA Determination Cut-off Date, then the Issuer (acting in good faith and in a commercially reasonable manner and following consultation with the Independent Financial Adviser in the event one has been appointed) may determine a Successor Rate or, failing which, an Alternative Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 8).

If this subparagraph (ii) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Rate prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this subparagraph (ii), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be equal to the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) for a term equivalent to the Reset Period or to the relevant Interest Period (as applicable) published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (as applicable) (though substituting, where a different Margin is to be applied to the relevant Reset Period or Interest Period (as applicable) from that which applied to the last preceding Reset Period or Interest Period (as applicable), the Margin relating to the relevant Reset Period or Interest Period (as applicable), in place of the Margin relating to that last preceding Reset Period or Interest Period (as applicable)). If there has not been a first Reset Date or first Interest Payment Date (as applicable), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date.

For the avoidance of doubt, this subparagraph (ii) shall apply to the relevant next succeeding Reset Period or Interest Period (as applicable), and any Subsequent Reset Periods or Interest Periods (as applicable) are subject to the subsequent operation of, and adjustment as provided in, subparagraph (i) of this Condition 8.

- (iii) If a Successor Rate or an Alternative Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Rate shall be the benchmark in relation to the

Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 8).

- (iv) If the Independent Financial Adviser or the Issuer, acting in good faith and in a reasonable commercial manner and following consultation with the Independent Financial Adviser in the event one has been appointed, as applicable, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or the Alternative Rate.
- (v) If any Successor Rate, Alternative Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Financial Adviser or the Issuer, acting in good faith and in a reasonable commercial manner and following consultation with the Independent Financial Adviser in the event one has been appointed, as applicable, may also specify amendments to these Conditions of the Notes in order to follow market practice in relation to the Successor Rate or Alternative Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 8).

In connection with any such variation in accordance with this subparagraph (v), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

- (vi) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any changes pursuant to subparagraph (v) will be notified promptly by the Issuer to the Holders in accordance with Condition 19 (*Notices*). Such notice shall be irrevocable and shall specify the effective date of the changes pursuant to subparagraph (v), if any, and will be binding on the Issuer and the Holders.

Notwithstanding any other provision of this Condition 8, no Successor Rate, Alternative Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 8, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Notes as Tier 2 capital or as Eligible Liabilities or to comply with MREL Requirements, as applicable, in each case of the Issuer and/or the ABANCA Group, or could reasonably result in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

## 9. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*). The Maturity Date of the Notes will not exceed 50 years from the Issue Date.

Senior Notes and Senior Subordinated Notes will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations.

Tier 2 Subordinated Notes will have an original maturity of at least five years from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations.

- (b) *Redemption due to a Tax Event*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or

- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

subject to the Conditions to Redemption and Purchase set out in Condition 9(k) (*Conditions to Redemption and Purchase*), on giving not less than 15 nor more than 60 calendar days' notice to the Holders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if a Tax Event has occurred and is continuing.

- (c) *Redemption due to a Capital Event*: If the Notes are Tier 2 Subordinated Notes and Capital Event is specified as applicable in the relevant Final Terms, then if a Capital Event has occurred and is continuing, the Tier 2 Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to the Conditions to Redemption and Purchase set out in Condition 9(k) (*Conditions to Redemption and Purchase*), on giving not less than 15 nor more than 60 calendar days' notice to the Holders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption.
- (d) *Redemption due to an Eligible Liabilities Event*: If the Notes are Senior Notes or Subordinated Notes and Eligible Liabilities Event is specified as applicable in the relevant Final Terms, then if an Eligible Liabilities Event has occurred and is continuing, the relevant Senior Notes or Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to the Conditions to Redemption and Purchase set out in Condition 9(k) (*Conditions to Redemption and Purchase*), on giving not less than 15 nor more than 60 calendar days' notice to the Holders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption.

Tier 2 Subordinated Notes where the Eligible Liabilities Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to an Eligible Liabilities Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

- (e) *Redemption at the option of the Issuer*: If the "Call Option" is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption on the Issuer's giving not less than 15 calendar days' nor more than 60 calendar days' notice to the Holders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and upon expiry of which the redemption shall take place) subject to the Conditions to Redemption and Purchase set out in Condition 9(k) (*Conditions to Redemption and Purchase*).

Redemption of Tier 2 Subordinated Notes at the option of the Issuer will only take place after five years from their date of issuance or any different minimum period permitted under Applicable Banking Regulations

- (f) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(e) (*Redemption at the option of the Issuer*), each Note shall be redeemed in part in the proportion which the aggregate Outstanding Principal Amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate Outstanding Principal Amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Issuer Residual Call*: If the "Issuer Residual Call" is specified in the relevant Final Terms as being applicable, and if, at any time, the Outstanding Principal Amount of the Notes is equal or less of the Residual Percentage specified in the relevant Final Terms of the aggregate nominal amount of the Notes originally issued (and, for these purposes, any further Notes issued and consolidated with the Notes as part of the same Series shall be deemed to have been originally

issued), the Issuer may, subject to the Conditions to Redemption and Purchase set out in Condition 9(k) (*Conditions to Redemption and Purchase*), redeem all (but not some only) of the remaining outstanding Notes on any date (or, if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, on any Interest Payment Date) upon giving not less than 15 nor more than 60 days' notice to the Holders (or such other notice period as may be specified in the relevant Final Terms) (which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount together with any accrued and unpaid interest up to (but excluding) the date of redemption.

- (h) *Redemption at the option of Holders*: If the "Put Option" is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount together with interest (if any) accrued and unpaid to such date. In order to exercise the option contained in this Condition 9(h), the Holder of a Note must, not less than 30 nor more than 60 calendar days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), give written notice to the Issuer through Iberclear or the relevant Iberclear Member, as applicable.

In accordance with Article 63(i) of CRR, the Put Option shall not be applicable to Tier 2 Subordinated Notes.

- (i) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) to 9(h) above.
- (j) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price subject to the Conditions to Redemption and Purchase set out in Condition 9(k) (*Conditions to Redemption and Purchase*).
- (k) *Conditions to Redemption and Purchase*: Other than in the case of a redemption at maturity in accordance with Condition 9(a) (*Scheduled Redemption*), the Issuer may redeem the Notes (and give notice thereof to the Holders) and the Issuer or its Subsidiaries may purchase Notes, only if such redemption or purchase, as applicable, is in accordance with the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and it has been granted the permission of the Competent Authority and/or the Relevant Resolution Authority (in each such case, if such permission is then required under the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations)).

Prior to the publication of any notice of redemption pursuant to Conditions 9(b) (*Redemption due a Tax Event*), 9(c) (*Redemption due to a Capital Event*) and 9(d) (*Redemption due to an Eligible Liabilities Event*), the Issuer shall make available to the Holders at its registered office a certificate signed by two of its duly Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

Pursuant to article 78 CRR and with respect to Tier 2 Subordinated Notes only, the Competent Authority shall grant permission for an institution to reduce, call, redeem, repay or repurchase Tier 2 instruments:

- (i) where either of the following conditions is met:
- (A) before or at the same time as any of such actions, the institution replaces the instruments with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the institution;
  - (B) the institution has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the institution would, following any of such actions, exceed the requirements laid down in the CRR, the CRD IV Directive and the BRRD by a margin that the Competent Authority considers necessary.
- (ii) in the case of any such actions during the five years following the issue date of the Notes if:

- (A) the conditions listed in paragraphs (i)(a) or (i)(b) above are met; and
- (B) in the case of the occurrence of a Capital Event, (i) the Competent Authority considers such a change to be sufficiently certain; and (ii) the institution demonstrates to the satisfaction of the Competent Authority that the regulatory reclassification of those instruments was not reasonably foreseeable at the time of their issuance; or
- (C) in the case of the occurrence of a Tax Event, the institution demonstrates to the satisfaction of the Competent Authority that the change is material and was not reasonably foreseeable at the time of their issuance; or
- (D) before or at the same time as any of such actions, the institution replaces the instruments with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the institution and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
- (E) the Notes are repurchased for market making purposes.

Pursuant to article 78 CRR, and with respect to Notes qualifying as Eligible Liabilities, the Relevant Resolution Authority shall grant permission for an institution to call, redeem, repay or repurchase eligible liabilities instruments where one of the following conditions is met:

- (a) before or at the same time as any of such actions, the institution replaces the eligible liabilities instruments with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the institution;
- (b) the institution has demonstrated to the satisfaction of the resolution authority that the own funds and eligible liabilities of the institution would, following any of such actions, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD IV Directive and the BRRD by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary;
- (c) the institution has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the CRR and in Directive 2013/36/EU for continuing authorisation.

## 10. Payments

- (a) *Principal and interest:* Payments in respect of the Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the T2, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Business Day on which the payment of principal or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer or, if applicable, any of the dealers will have any responsibility or liability for the records relating to payments made in respect of the Notes.
- (b) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer is subject, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof (Foreign Account Tax Compliance Act, "**FATCA**"), or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto (a "**FATCA Withholding Tax**").

- (c) *Payments on business days:* If the due date for payment of any amount in respect of any Note is not a Payment Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

## 11. Taxation

- (a) *Gross up in respect of Ordinary Senior Notes:* All payments of interest and principal (and/or premium, if any) payable in respect of the Ordinary Senior Notes by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payments of interest and, if so specified in the relevant Final Terms, principal (and/or premium, if any), the Issuer shall pay such additional amounts as will result in Holders receiving such amounts as they would have received in respect of such payments of interest and, if so specified in the relevant Final Terms, principal (and/or premium, if any) had no such withholding or deduction been required.

However, the Issuer shall not be required to pay any additional amounts in relation to any payment in respect of Ordinary Senior Notes:

- (i) presented for payment by or on behalf of a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of the Ordinary Senior Notes by reason of his having some connection with the Kingdom of Spain other than:
    - (A) the mere holding of Ordinary Senior Notes; or
    - (B) the receipt of any payment in respect of Ordinary Senior Notes;
  - (ii) where taxes are imposed by the Kingdom of Spain (or any political subdivision thereof or any authority or agency therein or thereof having power to tax) that are (i) any estate, inheritance, gift, sales, transfer, personal property or similar taxes or (ii) solely due to the appointment by any Holder, or any person through which such Holder holds such Ordinary Senior Note, of a custodian, collection agent, person or entity acting on its behalf or similar person in relation to such Ordinary Senior Note; or
  - (iii) to, or to a third party on behalf of, a Holder who is an individual resident for tax purposes in the Kingdom of Spain (or any political subdivision or any authority thereof or therein having power to tax); or
  - (iv) to, or to a third party on behalf of, a Holder in respect of whose Ordinary Senior Notes the Issuer (or an agent acting on behalf of the Issuer) has not received such information it may be required in order to comply with Spanish tax reporting requirements, as may be necessary to allow payments on such Ordinary Senior Notes to be made free and clear of withholding tax or deduction on account of any taxes imposed by Spain, including when the Issuer (or an agent acting on behalf of the Issuer) does not receive a duly executed and completed certificate, pursuant to Law 10/2014 and Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation.
- (b) *Gross up in respect of Senior Non-Preferred Notes and Subordinated Notes:* All payments of interest and principal (and/or premium, if any) payable in respect of Senior Non-Preferred Notes or Subordinated Notes by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payments of interest (but not in respect of payments of principal or any premium), the Issuer shall pay such additional amounts as will result in Holders

receiving the amount of interest as they would have received had no such withholding or deduction been required (but no additional amounts shall be paid in respect of payments of principal or any premium).

However, the Issuer shall not be required to pay any additional amounts in relation to any payment in respect of Senior Non-Preferred Notes or Subordinated Notes:

- (i) presented for payment by or on behalf of a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of the Senior Non-Preferred Notes or the Subordinated Notes by reason of his having some connection with the Kingdom of Spain other than:
    - (A) the mere holding of Senior Non-Preferred Notes or Subordinated Notes; or
    - (B) the receipt of any payment in respect of Senior Non-Preferred Notes or Subordinated Notes;
  - (ii) where taxes are imposed by the Kingdom of Spain (or any political subdivision thereof or any authority or agency therein or thereof having power to tax) that are (i) any estate, inheritance, gift, sales, transfer, personal property or similar taxes or (ii) solely due to the appointment by any Holder, or any person through which such Holder holds such Senior Non-Preferred Notes or Subordinated Notes, of a custodian, collection agent, person or entity acting on its behalf or similar person in relation to such Senior Non-Preferred Notes or Subordinated Notes; or
  - (iii) to, or to a third party on behalf of, a Holder who is an individual resident for tax purposes in the Kingdom of Spain (or any political subdivision or any authority thereof or therein having power to tax); or
  - (iv) to, or to a third party on behalf of, a Holder in respect of whose Senior Non-Preferred Notes or Subordinated Notes the Issuer (or an agent acting on behalf of the Issuer) has not received such information it may be required in order to comply with Spanish tax reporting requirements, as may be necessary to allow payments on such Senior Non-Preferred Notes or Subordinated Notes to be made free and clear of withholding tax or deduction on account of any taxes imposed by Spain, including when the Issuer (or an agent acting on behalf of the Issuer) does not receive a duly executed and completed certificate, pursuant to Law 10/2014 and Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation.
- (c) For the avoidance of doubt, the Issuer shall not be required to pay any additional amounts in relation to any FATCA Withholding Tax.

## 12. Events of Default

- (a) *Events of Default relating to the Notes*

If an order is made by any competent court commencing insolvency proceedings against the Issuer or if any order is made by any competent court or resolution passed for the liquidation (*liquidación*) of the Issuer (except in the case of a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Holders of the Notes; or (ii) where the entity resulting from any such reconstruction, merger or amalgamation is (A) a financial institution (*entidad de crédito*) under article 1 of Law 10/2014, as amended and restated and (B) has a rating for long-term subordinated debt assigned by a Rating Agency equivalent to or higher than the rating for long-term subordinated debt of the Issuer immediately prior to such reconstruction, merger or amalgamation) and such order is continuing, then any Note may, unless there has been an Extraordinary Resolution to the contrary at a meeting of Holders, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer, be declared immediately due and payable, whereupon the principal amount of such Notes together with any accrued and unpaid interest thereon to the date of payment shall, when permitted by applicable Spanish law, become immediately due and payable without further action or formality.

If a default occurs under this Condition 12(a), claims of Holders in respect of the Notes shall rank as set out under Condition 4 (*Status*).

Except as set out in this Condition 12(a), Holders shall have no right to declare immediately due and payable any amounts of principal or interest in respect of the Notes.

By its acquisition of any Note, each Holder acknowledges and accepts that the taking by the Relevant Resolution Authority of an early intervention measure or a resolution or moratorium action in respect of the Issuer under the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) shall not constitute an event of default and Holders shall have no right to declare immediately due and payable any amounts of principal or interest in respect of the Notes.

(b) *Additional Events of Default*

This Condition 12(b) applies only to Ordinary Senior Notes if specified as applicable in the relevant Final Terms and references to "Notes" shall be construed accordingly.

If any of the following events occurs and is continuing, then any Holder of any Note of the relevant Series may by written notice to the Issuer declare such Note and all interest then accrued and unpaid on such Note to be forthwith due and payable, whereupon the same shall, when permitted by applicable Spanish law, become immediately due and payable at its Outstanding Principal Amount together with accrued and unpaid interest (if any) without further action or formality:

- (i) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 calendar days of the due date for payment thereof; or
- (ii) *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 and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy, remains unremedied for 30 calendar days after the relevant Holder has after given written notice thereof to the Issuer; or
- (iii) *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 any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Outstanding Principal Amount together with accrued and unpaid interest (if any) without further action or formality.

**13. Green, Social or Sustainability Notes**

In the case of any Notes where the "Reasons for the Offer" in Part B of the relevant Final Terms are stated to be for "green", "social" or "sustainability" projects as described therein (the "**Green, Social or Sustainability Notes Use of Proceeds Disclosure**" and the "**Green, Social or Sustainability Notes**", as appropriate), no event of default shall occur or other claim against the Issuer or right of a holder of, or obligation or liability of the Issuer in respect of, such Green, Social or Sustainability Notes arise as a result of an amount equivalent to the net proceeds of such Green, Social or Sustainability Notes not being used, any report, assessment, opinion or certification not being obtained or published, or any other step or action not being taken, in each case as set out and described in the Green, Social or Sustainability Notes Use of Proceeds Disclosure.

**14. Waiver of Set-Off**

No Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each Holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent

permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Holder of any Note but for this Condition.

#### **15. Substitution and Variation**

If a Tax Event, an Eligible Liabilities Event or a Capital Event has occurred and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to become or remain, Qualifying Notes, subject to having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 19 (*Notices*), subject to obtaining the prior permission of the Competent Authority and/or Relevant Resolution Authority if and required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations)) and in accordance with the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time, and provided that the Issuer shall have obtained a Bank's Certificate and an Independent Financial Adviser Certificate (copies thereof will be available at the Issuer's registered office during its normal business hours) at least 15 Business Days prior to the issue or, as appropriate, variation of the relevant Notes.

Any notice provided in accordance with this Condition 15 shall be irrevocable, specify the relevant details of the manner in which such substitution or, as the case may be, variation shall take effect (including the date for substitution or variation) and where the Holders can inspect or obtain copies of the new conditions of the Notes. Such substitution or, as the case may be, variation will be effected without any cost or charge to the Holders.

In connection with any substitution or variation in accordance with this Condition 15, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Holders shall, by virtue of subscribing and/or purchasing the relevant Notes, be deemed to accept the substitution or variation of the terms of such Notes and to grant the Issuer full power and authority to take any action and/or execute and deliver any document in the name and/or on behalf of the Holder which is necessary or convenient to complete the substitution or variation of the terms of the Notes.

#### **16. Prescription**

- (a) *English Law*: If English law is specified as the governing law of the Notes in the relevant Final Terms, claims for principal shall become void unless made within ten years of the appropriate Relevant Date and claims for interest shall become void unless made within five years of the appropriate Relevant Date.
- (b) *Spanish Law*: If Spanish law is specified as the governing law of the Notes in the relevant Final Terms, claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within five years after the date on which the payment in question becomes due and payable.

#### **17. Meetings of Holders; Modification and Waiver**

- (a) *Application*: this Condition 17 (*Meetings of Holders; Modification and Waiver*) will apply to all issuances of Notes.
- (b) *Convening meetings*
  - (i) *Meetings convened by the Issuer*: The Issuer may, at any time, and shall, if so directed in writing by Holders holding not less than 10% in aggregate principal amount of the

Notes for the time being outstanding (the "**relevant Holders**"), convene a meeting of Holders.

- (ii) *Meetings convened by the Holders:* If the Issuer has not delivered notice convening a meeting of the Holders prior to the expiry of seven clear days from the date on which the Issuer has received written directions from the relevant Holders to do so, the relevant Holders may themselves convene the meeting in place of the Issuer subject to and in accordance with the provisions of this Condition 17, provided however that, in such circumstances all references to the performance by the Issuer of a particular obligation in this Condition 17, or the delivery by the Issuer of any notice in accordance with Condition 19 (*Notices*), shall be deemed to be a reference to the performance by the relevant Holders of such obligation and/or the delivery of such notice. Any costs and expenses incurred by the relevant Holders as a result of, in connection with or related to the convening by them of a meeting of the Holders in such circumstances shall be for the account of the Issuer and shall be promptly paid by the Issuer to the account designated for such purpose in writing by the relevant Holders upon presentation of receipts, invoices or other documentary evidence of such costs.

Notwithstanding the foregoing, no refusal or failure by the Issuer to convene a meeting of the Holders when so directed by the relevant Holders shall give rise to any right by any Holder to declare any principal amounts or interest in respect of the Notes immediately due and payable.

- (c) *Procedures for convening meetings:* At least 21 clear days' notice specifying the place (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform), day and hour of the meeting shall be given to the Holders in the manner provided in Condition 19 (*Notices*).

The notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting and, where the meeting has been convened to vote on any matter requiring the approval of the Holders by means of an Extraordinary Resolution only, shall specify the terms of the Extraordinary Resolution to be proposed. This notice shall include information as to the manner in which Holders are entitled to attend and vote at the meeting.

If the meeting has been convened by the relevant Holders in the circumstances set out in Condition 17(b)(ii) (*Convening meetings — Meetings convened by the Holders*), a copy of the notice shall also be sent by certified post to the Issuer.

- (d) *Chairperson:* The person (who may be, but need not be, a Holder) nominated in writing by the Issuer shall be entitled to take the chair at each meeting (the "**Chairperson**") but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairperson, failing which the Issuer may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.

- (e) **Quorums**

- (i) *Regular Quorum:* At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 5% in principal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business, and no business (other than the choosing of a Chairperson in accordance with Condition 17(d) (*Chairperson*)) shall be transacted at any meeting unless the required quorum is present at the commencement of business.
- (ii) *Extraordinary Quorum:* The quorum at any meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Eligible Persons present and holding or representing in the aggregate not less than 50% in principal amount of the Notes for the time being outstanding.

(iii) *Enhanced Quorum*: At any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):

- (A) a reduction or cancellation of the principal amount of the Notes for the time being outstanding; or
- (B) a reduction of the amount payable or modification of the Interest Payment Dates or variation of the method of calculating the Rate of Interest; or
- (C) a modification of the currency in which payments under the Notes are to be made; or
- (D) a modification of the majority required to pass an Extraordinary Resolution; or
- (E) the sanctioning of any scheme or proposal described in Condition 17(i)(iii)(F) below; or
- (F) alteration of this provision 17(e)(iii) or the provision to Condition 17(f)(i) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds in principal amount of the Notes for the time being outstanding.

(f) *Adjourned Meeting*

(i) If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairperson may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall, if convened by Holders or if the Issuer was required by Holders to convene such meeting pursuant to Condition 17(b) (*Convening meetings*), be dissolved. In any other case it shall be adjourned to the same day of the next week (or if that day is not a Business Day the next following Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall be adjourned for a period being not less than 14 clear days nor more than 42 clear days and at a place appointed by the Chairperson and approved by the Issuer).

Otherwise, at least 7 clear days' notice specifying the place (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform), day and hour of the adjourned meeting, and otherwise given in accordance with Condition 17(c) (*Procedures for convening meetings*) shall be given to the Holders in the manner provided in Condition 19 (*Notices*) (which notice may be given at the same time as the notice convening the original meeting).

(ii) If within 15 minutes (or a longer period not exceeding 30 minutes as the Chairperson may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairperson may either dissolve the meeting or adjourn it for a period, being

- (A) (for any matter other than to vote on an Extraordinary Resolution, not less than 14 clear days (but without any maximum number of clear days); or
- (B) for any matter requiring approval by an Extraordinary Resolution, not less than 14 clear days nor more than 42 clear days,

and in either case to a place as may be appointed by the Chairperson (either at or after the adjourned meeting) and approved by the Issuer, and the provisions of this sentence shall apply to all further adjourned meetings.

- (iii) At any adjourned meeting one or more Eligible Persons present (whatever the principal amount of the Notes for the time being outstanding so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present, provided that at any adjourned meeting the business of which includes any of the matters specified in the provision to Condition 17(e)(iii) (*Quorums —Enhanced Quorum*) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in principal amount of the Notes for the time being outstanding.
- (g) *Right to attend and vote*
- (i) The provisions governing the manner in which Holders may attend and vote at a meeting of the Holders must be notified to Holders in accordance with Condition 19 (*Notices*) and/or at the time of service of any notice convening a meeting.
  - (ii) Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, but without prejudice to the definition of "outstanding", no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person.
  - (iii) Subject as provided in Condition 17(g)(ii) at any meeting:
    - (A) on a show of hands every Eligible Person present shall have one vote; and
    - (B) on a poll every Eligible Person present shall have one vote in respect of each Note.
- (h) *Holding of meetings*
- (i) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as an Eligible Person.
  - (ii) At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairperson or the Issuer or by any Eligible Person present (whatever the principal amount of the Notes held by him), a declaration by the Chairperson that a resolution has been carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
  - (iii) Subject to Condition 17(h)(ii) if at any meeting a poll is demanded, it shall be taken in the manner and, subject as provided below, either at once or after an adjournment as the Chairperson may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as of the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
  - (iv) The Chairperson may, with the consent of (and shall if directed by) any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business, which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
  - (v) Any poll demanded at any meeting on the election of a Chairperson or on any question of adjournment shall be taken at the meeting without adjournment.

- (i) *Approval of the resolutions*
- (i) Any resolution passed at a meeting of the Holders duly convened and held shall be binding upon all the Holders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Holders shall be published in accordance with Condition 19 (*Notices*) by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.
- (ii) The expression "**Extraordinary Resolution**" when used in this Condition 17 means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 17 by a majority consisting of not less than 75% of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75% of the votes given on the poll.
- (iii) A meeting of the Holders shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to the quorum contained in Conditions 17(e)(ii) and 17(e)(iii), namely:
- (A) power to approve any compromise or arrangement proposed to be made between the Issuer and the Holders;
- (B) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders against the Issuer or against any of its property whether these rights arise under these Conditions of the Notes or the Notes or otherwise;
- (C) power to agree to any modification of the provisions contained in these Conditions of the Notes or the Notes which is proposed by the Issuer;
- (D) power to give any authority or approval which under the provisions of this Condition 17 or the Notes is required to be given by Extraordinary Resolution;
- (E) power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;
- (F) power to agree with the Issuer or any substitute, the substitution of any entity in place of the Issuer (or any substitute) as the principal debtor in respect of the Notes;
- (iv) Subject to Condition 17(i)(i), to be passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 17, a resolution (other than an Extraordinary Resolution) shall require a majority of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, a majority of the votes given on the poll.
- (v) The agreement or approval of the Holders shall not be required in the case of any amendments determined pursuant to Condition 8 (*Benchmark Discontinuation*).
- (j) *Miscellaneous*
- (i) Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the Chairperson of the meeting at which any resolution was passed or proceedings had transpired shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened

and all resolutions passed or proceedings had transpired at the meeting to have been duly passed or had.

- (ii) For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.
- (iii) Any modification or waiver of the Conditions of the Notes in accordance with this Condition 17 will be effected in accordance with the Applicable Banking Regulations and conditional upon any prior approval from the Competent Authority, to the extent required thereunder.

## 18. Further Issues

The Issuer may from time to time, without the consent of the Holders, but subject to having been granted the permission of the Competent Authority and/or the Relevant Resolution Authority (in each such case, if such permission is then required under the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations)), create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## 19. Notices

The Issuer shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading.

If the Notes are listed on AIAF, to the extent required by the applicable regulations, the Issuer shall ensure that (i) the communication of all notices will be made public to the market through an announcement to be filed with the CNMV and to be published at the CNMV's official website at [www.cnmv.es](http://www.cnmv.es) and (ii) all notices to the Holders will be published in the official bulletin of AIAF (*Boletín de Cotización de AIAF*).

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Issuer may approve.

In addition, so long as the Notes are represented by book-entries in Iberclear, all notices to Holders shall be made through Iberclear for on transmission to their respective accountholders.

## 20. Loss absorbing power

- (a) *Acknowledgement:* Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of the Notes, each Holder (which for the purposes of this Condition 20 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:
  - (i) to be bound by the effect of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
    - (A) the reduction of all, or a portion, of the Amounts Due on a permanent basis;
    - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Holder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
    - (C) the cancellation of the Notes or Amounts Due;

- (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Loss Absorbing Power by the Relevant Resolution Authority.
- (b) *Payment of Interest and Other Outstanding Amounts Due:* No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Loss Absorbing Power by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.
- (c) *Notice to Holders:* Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the Holders as soon as practicable regarding such exercise of the Loss Absorbing Power. No failure or delay by the Issuer to deliver a notice to the Holders shall affect the validity or enforceability of the exercise of the Loss Absorbing Power.
- (d) *Proration:* If the Relevant Resolution Authority exercises the Loss Absorbing Power with respect to less than the total Amounts Due, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Loss Absorbing Power will be made on a pro-rata basis, unless the Relevant Resolution Authority instructs otherwise.
- (e) *Condition Exhaustive:* The matters set forth in this Condition 20 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any Holder.
- (f) *No Event of Default:* None of a cancellation of the Notes, a reduction in the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to the Issuer or the exercise of the Loss Absorbing Power with respect to the Notes will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Holders to any remedies (including equitable remedies) which are hereby expressly waived.

## 21. Recognition of Stay Powers

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of the Notes, each Holder (which for the purposes of this Condition 21, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees that it may be subject to the exercise of Stay Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

- (a) the effect of the exercise of Stay Powers by the Relevant Resolution Authority in relation to an obligation of the Issuer to each of the Holders and/or a right of the Issuer and the Holders, as applicable, under the Notes, that (without limitation) may include and result in any of the following, or some combination thereof:
  - (i) the suspension of any payment or delivery obligation if the Issuer is failing or likely to fail or under resolution;
  - (ii) the restriction of enforcement of security interests if the Issuer is under resolution; and
  - (iii) the temporary suspension of termination rights if the Issuer is under resolution.
- (b) the fact that the exercise of Stay Powers by the Relevant Resolution Authority shall not constitute non-performance of a contractual obligation and therefore deemed to be an enforcement event within the meaning of Directive 2002/47/EC or as insolvency proceedings within the meaning of Directive 98/26/EC implemented in Spain through Royal Decree-law 5/2005 and Law 41/1999, respectively and that Holders shall not be entitled to take any of the steps outlined under Article 68(3) Directive 2014/59/EU and any relevant implementing measures in any member state of the European Union against the Issuer.

For the purposes of this Condition 21, "**Stay Powers**" means any suspension of obligations or restriction of rights in accordance with Articles 33a, 69, 70 and 71 of BRRD, implemented in Spain through Articles 66 and 70 to 70 ter of Law 11/2015.

## 22. Governing Law and Jurisdiction

The governing law and jurisdiction of the Notes will be specified in Part A of the relevant Final Terms.

(a) *English law*: If English law is specified as the governing law of the Notes in the relevant Final Terms, the provisions of this Condition 22(a) shall apply to the Notes.

(i) *Governing law*: Save as described below, the Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 3 (*Form, Denomination, Title and Transfer*), Condition 4 (*Status*) and Condition 20 (*Loss Absorbing Power*) are governed by Spanish law.

(ii) *English courts*: Subject to Condition 22(a)(iv) below, the courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

(iii) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(iv) *Rights of the Holders to take proceedings outside England*: Notwithstanding Condition 22(a)(ii) above, any Holder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Holders may take concurrent Proceedings in any number of jurisdictions.

Notwithstanding the above, each of the Issuer and any Holder submits to the exclusive jurisdiction of the Spanish courts, in particular, to the venue of the city of Madrid, in relation to any dispute arising out of or in connection with the application of any Loss Absorbing Power by the Relevant Resolution Authority (a "**Bail-in Dispute**"). Each of the Issuer and any Holder in relation to a Bail-in Dispute further waives any objection to the Spanish courts on the grounds that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

(v) *Service of process*: The Issuer irrevocably and unconditionally agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to ABANCA Corporación Bancaria, S.A. Representation Office at 4th Floor Malta House, 36-38 Piccadilly, London W1J ODP, United Kingdom. The Issuer undertakes that in the event of such office ceasing so to act, it shall appoint such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Holders. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(b) *Spanish Law*: If Spanish law is specified as the governing law of the Notes in the relevant Final Terms, the provisions of this Condition 22(b) shall apply to the Notes.

(i) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes shall be governed by, and construed in accordance with, Spanish law.

(ii) *Spanish courts*: The courts of the city of Madrid, Spain are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes).

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "FSMA") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); or (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "distributor")//distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [•]

**ABANCA Corporación Bancaria, S.A.**

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

Legal Entity Identifier (LEI): 54930056IRBXXK0Q1FP96

**Euro Medium Term Note Programme**

## **PART A – CONTRACTUAL TERMS**

### ***OPTION 1 (NORMAL ISSUANCE UNDER THE PROGRAMME ON THE BASIS OF THE TERMS AND CONDITIONS SET OUT IN THE BASE PROSPECTUS)***

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes (the "**Conditions of the Notes**") set forth in the Base Prospectus dated 12 June 2023 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information on the Issuer and the offer of the Notes.]

### ***OPTION 2 (ISSUANCE ON THE BASIS OF TERMS AND CONDITIONS FROM AN EARLIER BASE PROSPECTUS INCORPORATED BY REFERENCE IN THE BASE PROSPECTUS)***

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and save in respect of the Conditions, must be read in conjunction with the Base Prospectus dated 12 June 2023 [and the supplement[s] to it dated [date] [and [date]] ([together,] the "**Base Prospectus**") in order to obtain all the relevant information. The Base Prospectus constitute a base prospectus for the purposes of the Prospectus Regulation. The Conditions are incorporated by reference in the Base Prospectus.]

### ***END OF OPTIONS***

The Base Prospectus [and the supplement[s] to it dated [date] [and [date]] [has/have] been published on the website of the Issuer (<https://www.abancacorporacionbancaria.com/es/inversores/general/#programas-de-emision>) and on the website of the CNMV ([www.cnmv.es](http://www.cnmv.es)).

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

[In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

1. Issuer: ABANCA Corporación Bancaria, S.A.
2. (i) Series Number: [•]  
(ii) Tranche Number: [•]

- (iii) Date on which the Notes become fungible: [Not Applicable / The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date]].
3. Specified Currency: [EUR]
4. (i) Aggregate Nominal Amount: [•]  
 (a) Series: [•]  
 (b) Tranche: [•]
- (ii) Number of Notes: [•]  
 (a) Series: [•]  
 (b) Tranche: [•]
5. Issue Price: [•]% of the Aggregate Nominal Amount of the Tranche [plus accrued and unpaid interest from [•] (*in the case of fungible issues only, if applicable*)]
6. Minimum Subscription Amount: [EUR [•]]
7. (i) Specified Denominations: [•]  
*(No Notes may be issued which have a minimum denomination of less than EUR100,000 (or equivalent in another currency))*
- (ii) Calculation Amount: [•]
8. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [[•] / Issue Date / Not Applicable]
9. Maturity Date: [[•] / Interest Payment Date in or nearest to [•] (*for Floating Rate Notes*)]
10. Interest Basis: [[•]% Fixed Rate] / [[•][•] [EURIBOR / €STR] [+/-] [•]% Floating Rate] / Reset Notes / [[•]% Fixed Rate to [•][•][EURIBOR / €STR] [+/-] [•]% Floating Rate] / [[•][•][EURIBOR / €STR] [+/-] [•]% Floating Rate to [•]% Fixed Rate] / [[•]% Fixed Rate to Reset]  
 (see paragraph [18/19/20] below)
11. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•]/[100]% of their Outstanding Principal Amount.
12. Change of Interest Redemption/Payment Basis: or [Specify the date when any Fixed to Floating rate, Floating to Fixed rate of Fixed to Reset rate change occurs or refer to paragraphs 18, 19 or 20 below and identify there / Not Applicable]
13. Put/Call Options: [Investor Put]  
 [Issuer Call]

[Issuer Residual Call – Applicable/Not Applicable]

[(See paragraph [21/22] below)]

14. Status of the Notes: [Senior Notes – Ordinary Senior Notes / Senior Notes – Senior Non-Preferred Notes] / [Subordinated Notes – Senior Subordinated Notes / Subordinated Notes - Tier 2 Subordinated Notes]
15. Governing Law: [English / Spanish] Law
16. Date relevant approval for issuance of Notes obtained: [•]
17. Gross-up in respect of principal and any premium (pursuant to Condition 11(a)): [Applicable / Not Applicable]  
*(Only relevant for Ordinary Senior Notes) (Include "Not Applicable" for Senior Non-Preferred Notes and Subordinated Notes)*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18. Fixed Rate Note Provisions: [Applicable [from [•] to [•]] / Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•]% per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year
- (iii) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment]
- (iv) Additional Business Centre(s): [Not Applicable / [•]]
- (v) Fixed Coupon Amount: [•] per Calculation Amount
- (vi) Fixed Coupon Amount for a short or long Interest Period ("Broken Amount(s)": [Not Applicable / [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]]
- (vii) Day Count Fraction: [30/360 / Actual/Actual [(ICMA/ISDA)] / Actual/365 (Fixed) / Actual/360 / 30E/360 [(ISDA)]]
19. Reset Note Provisions: [Applicable / Not applicable]  
*(If not applicable delete the remaining sub paragraphs of this paragraph)*
- (i) Initial Rate of Interest: [•]% per annum payable in arrear [on each Interest Payment Date]
- (ii) First Margin: [+/-][•]% per annum
- (iii) Subsequent Margin: [+/-][•]% per annum / Not Applicable

- (iv) Interest Payment Date(s): [•][and [•]] in each year up to and including the Maturity Date
- (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [•] per Calculation Amount / Not Applicable
- (vi) Broken Amount(s): [•] per Calculation Amount payable on the Interest Payment date falling [in/on] [•] / Not Applicable
- (vii) First Reset Date: [•]
- (viii) Second Reset Date: Not Applicable / [•]
- (ix) Subsequent Reset Date(s): Not Applicable / [•] [and [•]]
- (x) Relevant Screen Page: [•]
- (xi) Reset Reference Rate: Reference Bond Rate / Mid-Swap Rate
- (xii) Mid-Swap Rate: Single Mid-Swap Rate / Mean Mid-Swap Rate / Not Applicable
- (xiii) Mid-Swap Maturity: [•]
- (xiv) Day Count Fraction: [30/360 / Actual/Actual [(ICMA/ISDA)] / Actual/365 (Fixed) / Actual/360 / 30E/360 [(ISDA)]]
- (xv) Reset Determination Date: [•] in each year / The provisions in the Conditions of the Notes apply
- (xvi) Reset Determination Time: [•]
- (xvii) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment]
- (xviii) Additional Business Centre(s): [Not Applicable / [•]]
- (xix) Relevant Financial Centre: [•]
- (xx) Determination Agent: [•]
- (xxi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [•] shall be the Calculation Agent
- (xxii) Mid-Swap Floating Leg Benchmark Rate: [EURIBOR]
- (xxiii) Minimum Rate of Interest: [[•]]% per annum / Not applicable
- (xxiv) Maximum Rate of Interest: [[•]]% per annum / Not applicable

**20.** Floating Rate Note Provisions: [Applicable [from [•] to [•]] / Not Applicable]

*(If not applicable delete the remaining sub paragraphs of this paragraph)*

- (i) Specified Period: [•]
- (ii) Interest Payment Date(s): [•]
- (iii) [First Interest Payment Date]: [•]
- (iv) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment]
- (v) Additional Business Centre(s): [Not Applicable / [•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination / ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [•] shall be the Calculation Agent
- (viii) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [•] [•] [EURIBOR / €STR]
  - Calculation Method: [Compounded Daily €STR / Compounded Daily €STR Index / €STR Weighted Average / Not Applicable]  
*(only applicable where the Reference Rate is €STR)*
  - Observation Method: [Lag / Observation Shift / Not Applicable]  
*(only applicable where the Reference Rate is €STR and Calculation Method is €STR Compounded Daily)*
  - p: [2 / [•] TARGET Settlement Days / Not Applicable]  
*(a minimum of 2 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
  - D: [360/365/[•]] / [Not Applicable]
  - Interest Determination Date(s): [The first Business Day in the relevant Interest Period / [•] TARGET Settlement Days prior to each Interest Payment Date / [•]]  
*(In the case of EURIBOR, the second day on which T2 is open prior to the start of each Interest Period)*  
*(In the case of €STR where "Compounded Daily €STR" is selected as Calculation method, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes are due and payable).*
  - Relevant Screen Page: [•]
  - Relevant Time: [•]

(in the case of EURIBOR, 11.00 a.m. Brussels time)

- Relevant Financial Centre: [•]
- Interest Period End Dates: [As per Conditions / [•] / Not Applicable]
- (ix) ISDA Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- Floating Rate Option: [•]  
*(The Floating Rate Option should be selected from one of: EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions)*
- Designated Maturity: [•]  
*(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- Reset Date: [•] / [as specified in the ISDA Definitions] / [the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(iv)] above and as specified in the ISDA Definitions]
- Compounding: [Applicable/Not Applicable]  
*(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Compounding Method: *(Select the relevant option and delete the rest)*  
[Compounding with Lookback  
Lookback: [•] Applicable Business Days]  
[Compounding with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
Observation Period Shift Additional Business Days: [[•] / Not Applicable]  
[Compounding with Lock-out  
Lock-out: [•] Lock-out Period Business Days  
Lock-out Period Business Days: [[•]/Applicable Business Days]
- Averaging: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*

- Averaging Method: *(Select the relevant option and delete the rest)*  
[Averaging with Lookback]  
 Lookback: [] Applicable Business Days  
[Averaging with Observation Period Shift]  
 Observation Period Shift: [] Observation Period Shift Business Days  
 Observation Period Shift Additional Business Days: [[]/Not Applicable]  
[Averaging with Lock-out]  
 Lock-out: [] Lock-out Period Business Days  
 Lock-out Period Business Days: [[]/Applicable Business Days]
- Index Provisions: [Applicable/Not Applicable]  
*(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Index Method: Compounded Index Method with Observation Period Shift  
 Observation Period Shift: [] Observation Period Shift Business Days  
 Observation Period Shift Additional Business Days: [[] / Not Applicable]
- (x) Linear interpolation: Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xi) Margin(s): [+/-] []% per annum
- (xii) Minimum Rate of Interest: [[]% per annum / Not applicable]
- (xiii) Maximum Rate of Interest: [[]% per annum / Not applicable]
- (xiv) Day Count Fraction: [30/360 / Actual/Actual [(ICMA/ISDA)] / Actual/365 (Fixed) / Actual/360 / 30E/360 [(ISDA)]]

## PROVISIONS RELATING TO REDEMPTION

- 21.** Call Option: [Applicable / Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [[] / Any date falling in the Optional Redemption Period (call) / Not Applicable]
  - (ii) Optional Redemption Period (call): [[] / Not Applicable]

- (iii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount / [•]]  
 [(in the case of the Optional Redemption Dates falling on [•]/[in the period from and including [date]]]
- (iv) Notice period: [•]
22. Redemption due to a Capital Event: Not Applicable / The provisions in Condition 9(c) apply  
 Notice period: [•]
23. Redemption due to an Eligible Liabilities Event: Not Applicable / The provisions in Condition 9(d) apply  
 Notice period: [•]
24. Redemption in part: [Applicable/Not Applicable]  
 (i) Minimum Redemption Amount: [•] per Calculation Amount  
 (ii) Maximum Redemption Amount: [•] per Calculation Amount
25. Issuer Residual Call: [Applicable / Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
 (i) Optional Redemption Amount: [[•] per Calculation Amount / [•]]  
 (ii) Residual Percentage: [[25] per cent. / [•] per cent.]  
 (iii) Notice period: [•]
26. Put Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
 (i) Optional Redemption Date(s): [•]  
 (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount / [•]]  
 (iii) Notice period: [•]
27. Final Redemption Amount of each Note: [Par / [•] per Calculation Amount]
28. Early Redemption Amount of each Note and method, if any, of calculation of such amount(s): [Par / [•] per Calculation Amount / [•]]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

29. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable /give details].

**30. Additional Events of Default [Condition 12(b) is applicable / Not Applicable]  
(Ordinary Senior Notes):**

Signed on behalf of ABANCA Corporación Bancaria, S.A.:

By: .....

Duly authorised pursuant to [●]

Date:

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made by the Issuer for the Notes to be admitted to trading on [AIAF / other stock exchange or market (*either Spanish, European or non-European, including regulated markets, multilateral trading facilities or any other organised markets*)] [within 30 days following the Issue Date / Other time period].]

*(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Standard & Poor's: [•]]

*[Insert meaning of rating]*

[Moody's: [•]]

*[Insert meaning of rating]*

[Fitch: [•]]

*[Insert meaning of rating]*

[[Other]: [•]]

*[Insert meaning of rating]*

#### ***Option 1 - CRA established in the EEA and registered under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation").*

#### ***Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority].

#### ***Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration***

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither*

registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

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

[Save for any fees payable to the [Dealers/Calculation Agent/Determination Agent] and those that may eventually be payable to any Independent financial Advisor (if eventually appointed), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. Notwithstanding the above, [any of] the Dealer[s] might be appointed as Independent Financial Adviser (should one be eventually appointed). The [Dealers/Calculation Agent/Determination Agent] and any Independent financial Advisor (if eventually appointed) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (Amend as appropriate if there are other interests (including when the Issuer, any member of the ABANCA Group or any dealer or any member of their groups acts as Calculation Agent or Determination Agent))]

**4. YIELD**

Indication of yield: [•]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

**5. OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

Trade Date: [•]

[Subscription and payment:] [The Notes have been subscribed and paid up on [•]]

Delivery: Delivery [against/free of] payment

Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*]][*appears*]/[*does not appear*]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the EU Benchmarks Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]

## 6. DISTRIBUTION

- (i) Method of Distribution: [Syndicated / Non-syndicated]
- (ii) If syndicated:
- (A) Names of dealers: [Not Applicable/give names]
- (B) Stabilisation Manager(s), if any: [Not Applicable/give names]
- (iii) If non-syndicated, name of dealer:
- (iv) Countries to which the Base Prospectus has been communicated:
- (v) U.S. Selling Restrictions: Reg S Compliance Category [1/2] – Not Rule 144A Eligible

## 7. REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

Reasons for the offer: [See ["Use of Proceeds"] in the Base Prospectus / *Other (if reasons for the offer are different from general financial requirements and there is a particular identified use of proceeds, this will need to be stated here)* / The Notes are intended to be issued as [Green Notes / Social Notes / Sustainability Notes] (*in case it is specified Green Notes, Social Notes or Sustainability Notes, the eligible business lines, as described in the Issuer's Sustainable Development Goals Framework, to which an equivalent amount to the net proceeds of each issue of Green Notes, Social Notes or Sustainability Notes will be applied, shall be described and the following wording shall be inserted:*

*"Investors should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus, in particular the risk factor entitled "Green, Social or*

*Sustainability Securities may not meet investor expectations or requirements".)]*

Estimated net proceeds: [•]

## USE OF PROCEEDS

An amount equivalent to the net proceeds from each issue of Notes will be applied by the Issuer:

- (i) to finance the general financing requirements of the ABANCA Group;
- (ii) to finance or refinance, in part or in full, new and/or existing Eligible Green Business Lines, in which case the relevant Notes will be identified as "Green Notes" in the relevant Final Terms;
- (iii) to finance or refinance, in part or in full, new and/or existing Eligible Social Business Lines, in which case the relevant Notes will be identified as "Social Notes" in the relevant Final Terms; or
- (iv) to finance or refinance, in part or in full, a mix of new and/or existing Eligible Green and Social Business Lines, in which case the relevant Notes will be identified as "Sustainability Notes" in the relevant Final Terms.

If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## GREEN, SOCIAL AND SUSTAINABILITY NOTES

**"Eligible Green Business Lines"** means loans and/or investments ("assets") falling under the eligible green categories and aligned with the eligibility criteria as described in the Sustainable Development Goals Framework. Eligible Green Business Lines will have clear environmental benefits, be linked to the EU environmental objectives and selected UN SDGs.

**"Eligible Social Business Lines"** means loans and/or investments ("assets") falling under the eligible social categories and aligned with the eligibility criteria as described in the Sustainable Development Goals Framework. Eligible Social Business Lines will have clear social benefits, be linked to targeted social objectives and selected UN SDGs.

**"ICMA"** means the International Capital Markets Association.

**"Sustainable Development Goals Framework"** means the latest sustainable development goals framework published by ABANCA for the purposes of issuing Green, Social or Sustainability Notes, available for viewing on its website (including as amended, supplemented, restated or otherwise updated on such website from time to time).

The current Sustainable Development Goals Framework of ABANCA dated October 2022 has been developed in line with ICMA's 2021 Green Bond Principles, the 2021 Social Bond Principles and the 2021 Sustainability Bond Guidelines and their four common core components: (i) use of proceeds; (ii) process for project evaluation and selection; (iii) management of proceeds; and (iv) reporting.

The Sustainable Development Goals Framework is available on the Issuer's website (<https://www.abancacorporacionbancaria.com/es/inversores/general/#programas-de-emision>).

**"UN SDGs"** means the sustainable development goals adopted by the United Nations in 2015.

The Issuer appointed Sustainalytics to provide an independent second party opinion (the **"Second Party Opinion"**) on the Sustainable Development Goals Framework. The Second Party Opinion has confirmed the alignment of the Sustainable Development Goals Framework with ICMA's 2021 Green Bond Principles. The Second Party Opinion is available on the Issuer's website (<https://www.abancacorporacionbancaria.com/es/inversores/general/#programas-de-emision>).

On a best effort basis, ABANCA intends to allocate an equivalent amount to the net proceeds of each instrument issued under its Sustainable Development Goals Framework within 36 months from the settlement date of such issuance. In case of insufficient eligible assets, ABANCA will invest the balance of the unallocated proceeds in cash or cash equivalent instruments according to its treasury management policy.

On an annual basis, until full allocation, ABANCA will publish an allocation and impact reporting and will appoint an external independent auditor to provide assurance on the allocation of the net proceeds in line with the

eligibility criteria set out in its Sustainable Development Goals Framework. Such reports will be available on ABANCA's website.

Prior to any investment in Green, Social or Sustainability Notes, investors are advised to consult the Sustainable Development Goals Framework of the Issuer for further information. Furthermore, investors should have regard to the factors described under the section headed "*Green, Social or Sustainability Notes may not meet investor expectations or requirements*". The Sustainable Development Goals Framework and the Second Party Opinion are subject to review and change and may be amended, updated, supplemented, replaced or withdrawn from time to time. Potential investors in Notes issued as Green, Social or Sustainability Notes should access the latest version of the relevant document on the Issuer's website.

For the avoidance of doubt, neither the Sustainable Development Goals Framework of the Issuer nor the Second Party Opinion, nor any other reports, opinions or contents of any of the above websites are, nor shall either of them be deemed to be, incorporated in, and/or form part of, this Base Prospectus.

## TAXATION

**The tax laws of the investor's Member State and of the issuer's Member State of incorporation might have an impact on the income received from the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries**

The following is a general description of certain Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### SPANISH TAX CONSIDERATIONS

The following summary describes the main Spanish tax implications arising in connection with the acquisition and holding of the Notes by individuals or entities who 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 by reason of employment) may be subject to special rules.

All the tax consequences described in this section are based on the general assumption that the Notes are initially registered for clearance and settlement in Iberclear.

Prospective purchasers of the Notes should consult their own tax advisers 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 the Notes.

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

- (a) of general application, Additional Provision One of Law 10/2014, as well as Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended by Royal Decree 1145/2011 of 29 July ("**Royal Decree 1065/2007**");
- (b) for individuals resident for tax purposes in Spain who are personal income tax ("**PIT**") taxpayers, Law 35/2006, of 28 November, on the PIT and on the partial amendment of Law 27/2014, of 27 November, governing the Corporate Income Tax ("**CIT Law**"), Non-Resident Income Tax Law and Wealth Tax Law, as amended (the "**PIT Law**"), and Royal Decree 439/2007, of 30 March, approving the PIT Regulations, as amended (the "**PIT Regulations**") by Royal Decree 633/2015, of 10 July, along with Law 19/1991, of 6 June, on Wealth Tax, as amended, and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes;
- (c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax ("**CIT**") taxpayers, the CIT Law, and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations, as amended (the "**CIT Regulations**"); and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are Non-Resident Income Tax ("**NRIT**") taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended ("**NRIT Law**") and Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, as amended ("**NRIT Regulations**") along with Law 19/1991, of 6 June, on Wealth Tax as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes.

## Tax treatment of the Notes

### *Indirect taxation*

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

ABANCA understands that the Notes should be deemed as financial assets with an explicit yield for Spanish tax purposes, according to Article 91 of the PIT Regulations and Article 63 of the CIT Regulations.

### *Direct taxation*

- (a) Individuals with tax residency in Spain

#### *Personal 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 own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law, and must be included in each investor's savings income and taxed at the tax rate applicable from time to time, currently 19% for taxable income up to €6,000.00; 21% for taxable income between €6,000.01 and €50,000.00; 23% for taxable income between €50,000.01 and €200,000.00; 27% for taxable income between €200,000.01 and €300,000.00 and 28% for taxable income in excess of €300,000.00.

Income from the transfer of the Notes is computed as the difference between their transfer value and their acquisition or subscription value. Also, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced, in calculating the income.

Negative income derived from the transfer of the Notes, in the event that the investor had acquired other homogeneous securities within the two months prior or subsequent to such transfer or exchange, shall be included in his or her PIT base as and when the remaining homogeneous securities are transferred.

When calculating the net income, expenses related to the management and deposit of the Notes will be deductible, excluding those pertaining to discretionary or individual portfolio management.

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

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

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

Notwithstanding the above, 19% withholding tax shall apply on the part of the transfer price that corresponds to the accrued interest when the transfer of the Notes takes place within the 30-day period prior to the moment in which such interest is due when the following requirements are fulfilled:

- (i) the acquirer would be a non-resident or a CIT taxpayer;
- (ii) the explicit yield derived from the Notes being transferred is exempt from withholding tax.

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

### *Reporting Obligations*

ABANCA 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.

*Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*

According to Wealth Tax regulations (subject to any exceptions provided under relevant legislation in each autonomous region (*Comunidad Autónoma*)), individuals with tax residency in Spain would be subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as of 31 December in each year, the applicable rates ranging between 0.2% and 3.5% although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

Notwithstanding the above, the so-called "solidarity tax" was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt.

The rates of the "solidarity tax" are (i) 1.7% on a net worth between €3 million and €5 million, (ii) 2.1% on a net worth between €5 million and €10 million and (iii) 3.5% on a net worth of more than €10 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

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

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or state rules. The applicable rates range between 7.65% and 81.6%, although the final tax rate may vary depending on any applicable regional tax laws. Some tax benefits could reduce the effective tax rate.

(b) Spanish tax resident legal entities

*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 25%.

However, this general rate will not be applicable to all CIT taxpayers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

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 participating entities (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 ABANCA, in a timely manner, with a duly executed and completed Payment Statement, as defined below). See "— Compliance with Certain Requirements in Connection with Income Payments".

With regard to income derived from the transfer of the Notes, in accordance with Article 61.q of the CIT Regulations, there is no obligation to withhold on income derived from the Notes 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; and
- (ii) negotiated in a Spanish official secondary market, such as AIAF.

*Reporting Obligations*

ABANCA 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.

*Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes are neither subject to Spanish Wealth Tax nor to Spanish Solidarity 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 Inheritance and Gift Tax but generally must include the market value of the Notes in their taxable income for CIT purposes.

(c) Individuals and legal entities that are not tax resident in Spain

- (i) 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 "*—Spanish tax resident legal entities—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*

ABANCA 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.

- (ii) Investors that are not resident in Spain for tax purposes, not acting in respect of the Notes through a permanent establishment in Spain

*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 ABANCA, 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 ABANCA, in a timely manner, with a duly executed and completed Payment Statement, as defined below), as set forth in Article 44 of Royal Decree 1065/2007. See "*—Compliance with Certain Requirements in Connection with Income Payments*".

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to ABANCA in a timely manner in respect of a payment of interest under the Notes, ABANCA will withhold Spanish withholding tax at the applicable rate (currently 19%) on such payment of income on the Notes and ABANCA 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 ABANCA, will receive a refund of the amount withheld, with no need for action on the beneficial owner's part, if ABANCA receives a duly executed and completed Payment Statement no later than the tenth 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.

*Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*

According to Wealth Tax regulations, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 3.5% although some reductions may apply.

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

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax.

Individuals that are not resident in Spain for tax purposes may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

Notwithstanding the above, the so-called "Solidarity Tax" was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt.

The rates of the "Solidarity Tax" are (i) 1.7% on a net worth between €3 million and €5 million, (ii) 2.1% on a net worth between €5 million and €10 million and (iii) 3.5% on a net worth of more than €10 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

Non-Spanish resident legal entities are neither subject to Wealth Tax nor to Solidarity Tax.

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

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If no treaty for the avoidance of double taxation in relation to Inheritance and Gift Tax applies, applicable Inheritance and Gift Tax rates would range between 7.65% and 81.6%, depending on relevant factors.

Generally, non-Spanish tax resident individuals are subject to Inheritance and Gift Tax according to the rules set forth in the Spanish state level or relevant autonomous region law. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to NRIT. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

(d) Compliance with certain requirements in connection with income payments

As described under "*Spanish tax resident legal entities—Corporate Income Tax (Impuesto sobre Sociedades)*", "*— Individuals and legal entities that are not tax resident in Spain*", provided the conditions set forth in Law 10/2014 are met, income payments made by ABANCA in respect of the Notes for the benefit of Spanish CIT taxpayers, or for the benefit of non-Spanish tax resident investors 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 ABANCA, in a timely manner, with a duly executed and completed statement (a "Payment Statement") (which is attached as Annex I), in accordance with section 4 of Article 44 of Royal Decree 1065/2007, containing the following information:

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

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to ABANCA in a timely manner in respect of a payment of income made by ABANCA under the Notes, such payment will be made net of Spanish withholding tax, currently at the rate of 19%. If this were to occur, affected beneficial owners will receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to ABANCA no later than the tenth 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 ABANCA 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, ABANCA 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 ABANCA. Moreover, ABANCA will not pay any additional amounts with respect to any such withholding tax.**

*Set out below is Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.*

*The language of the Base Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Base Prospectus.*

## **THE PROPOSED FINANCIAL TRANSACTIONS TAX ("EU FTT")**

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

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's proposal, EU 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.

In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It was reiterated in this meeting that participating Member States envisage introducing an EU FTT by means of the so-called enhanced cooperation process.

The proposed Directive defines how the EU FTT would be implemented in participating Member States. It involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01% tax rate.

On 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited FTT based on a system already in place in France. Under the new proposal, the tax obligation would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over €1 billion.

However, the Commission's proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate and participating Members States may withdraw.

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

## **THE SPANISH FINANCIAL TRANSACTIONS TAX**

The Spanish law which implements the Spanish financial tax (the "**Spanish FTT**") was approved on 7 October 2020 (the "**FTT Law**") and the FTT Law was published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on 16 October 2020. The Spanish FTT came into force three months after the publication of the FTT Law in the Spanish Official Gazette (that is, on 16 January 2021).

Spanish FTT will charge a 0.2% rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalization exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. The tax payer will be the financial traders that transfer or execute the purchase order and must submit an annual tax return.

The list of the Spanish companies with a market capitalisation exceeding €1 billion at 1 December of each year will be published on the Spanish tax authorities' website before 31 December each year. For the purposes of transactions closed during 2023, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded €1 billion as of 1 December 2022, which will fall within the scope of the Spanish FTT.

In principle, the FTT does not affect transactions involving bonds or debt or similar instruments.

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

## **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## ANNEX I

**Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007**

**Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos**

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

**Don (nombre), con número de identificación fiscal ( ) (1), en nombre y representación de (entidad declarante), con número de identificación fiscal ( ) (1) y domicilio en ( ) en calidad de (marcar la letra que proceda):**

Mr. (name), with tax identification number ( ) (1), in the name and on behalf of (entity), with tax identification number ( ) (1) and address in ( ) as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
- (a) Management Entity of the Public Debt Market in book-entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
- (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
- (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**
- (d) Issuing and Paying Agent appointed by ABANCA.

**Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:**

Makes the following statement, according to its own records:

- 1. En relación con los apartados 3 y 4 del artículo 44:**
- 1. In relation to paragraphs 3 and 4 of Article 44:
  - 1.1 Identificación de los valores**
  - 1.1 Identification of the securities
  - 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
  - 1.2 Income payment date (or refund if the securities are issued at discount or are segregated)
  - 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**
  - 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

**1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora**

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved

**1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

**2. En relación con el apartado 5 del artículo 44.**

2. In relation to paragraph 5 of Article 44.

**2.1 Identificación de los valores**

2.1 Identification of the securities

**2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

2.2 Income payment date (or refund if the securities are issued at discount or are segregated)

**2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

**2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

**2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

**2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

**Lo que declaro en.....a ... de.....de ...**

I declare the above in ..... on the ... of ..... of ...

**(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.**

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more dealers. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, dealers are set out in a Programme Agreement dated 12 June 2023 (the "**Programme Agreement**") and made between the Issuer and the Arranger. If in the case of any Tranche the method of distribution is an agreement between the Issuer and a single dealer for that Tranche to be issued by the Issuer and subscribed by that dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that dealer and any other interest of that dealer which is material to the issue of that Tranche beyond the fact of the appointment of that dealer will be set out in the relevant Final Terms. If in the case of any Tranche the method of distribution is an agreement between the Issuer and more than one dealer for that Tranche to be issued by the Issuer and subscribed by those dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those dealers and any other interests of any of those dealers which is material to the issue of that Tranche beyond the fact of the appointment of those dealers (including whether any of those dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

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

## SELLING RESTRICTIONS

### Prohibition of sales to EEA Retail Investors

The Arranger has represented and agreed, and each further dealer appointed under the Programme Agreement will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### Spain

The Notes may not be sold or distributed, nor may any subsequent resale of Notes be carried out in Spain other than by institutions authorised under the consolidated text of the Spanish Securities Markets and Investment Services Law and related legislation to provide investment services in Spain, and except in compliance with the provisions of the Prospectus Regulation and the Spanish Securities Markets and Investment Services Law.

The Arranger has represented and agreed, and each further dealer appointed under the Programme Agreement will be required to represent and agree, that the offers of Notes in Spain have been and will only be directed specifically at or made to professional clients (*clientes profesionales*) as defined in Article 194 of the Spanish Securities Markets and Investment Services Law and Article 58 of Royal Decree 217/2008, of 15 February (as amended or replaced from time to time), and eligible counterparties (*contrapartes elegibles*) as defined in Article 196 of the Spanish Securities Markets and Investment Services Law.

### Prohibition of Sales to UK Retail Investors

The Arranger has represented and agreed, and each further dealer appointed under the Programme Agreement will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms thereto in relation thereto to any retail investor in the United Kingdom.

For the purposes of this provision the expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA.

#### **Other UK regulatory restrictions**

The Arranger has represented and agreed, and each further dealer appointed under the Programme Agreement will be required to represent and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Note in circumstances in which section 21(1) of the FSMA does not apply to the Issuer, and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Note in, from or otherwise involving the United Kingdom.

#### **United States of America**

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 account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Arranger has represented and agreed, and each further dealer appointed under the Programme Agreement will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

### **General**

The Arranger has represented and agreed, and each further dealer appointed under the Programme Agreement will be required to represent and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any other offering material relating to the Notes.

Persons into whose hands this Base Prospectus comes are required by ABANCA and the Arranger to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

## MARKET INFORMATION

### SUMMARY OF CLEARANCE AND SETTLEMENT PROCEDURES

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

#### **Iberclear**

Iberclear is the Spanish central securities depository in charge of both the register of securities held in book-entry form, and the settlement of all trades from the Spanish Stock Exchanges, Latibex (the Latin American stock exchange denominated in Euro), the Book-Entry Public Debt Market, BME Growth, the Alternative Fixed Income Market (MARF) and AIAF. To achieve this, Iberclear uses the technical platforms named ARCO.

Iberclear is owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. ("**BME**"), a holding company, which holds a 100 per cent. interest in each of the Spanish official secondary markets and settlement systems. The corporate address of Iberclear is Plaza de la Lealtad 1, 28014 Madrid, Spain.

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

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

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

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

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

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO, receives the settlement instructions and forwards them to the relevant participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed.

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

### MARKET INFORMATION IN RELATION TO THE NOTES

#### **Iberclear settlement of securities traded on AIAF**

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

Securities traded on AIAF are fixed income securities, including corporate bonds (for example, medium term notes and mortgage bonds) and bonds issued by the Spanish Treasury and Spanish regions, among others, 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 on 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 stock-exchange business day agreed by participants at the moment of the trade.

### **Euroclear and Clearstream**

Investors who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold their investment in the Securities through bridge accounts maintained by each of Euroclear Bank SA/NV and Clearstream Banking, S.A. with participating entities in Iberclear.

## GENERAL INFORMATION

### Responsibility for this Base Prospectus

1. ABANCA, duly represented by the undersigned, Mr Juan Luis Vargas-Zúñiga de Mendoza, in his capacity as Chief Investment Officer (*Director General de Mercado de Capitales, Gestión y Distribución*) of ABANCA and Mr Alberto Manuel de Francisco Guisasola, in his capacity as Chief Financial Officer (*Director General de Finanzas*) of ABANCA, acting under the power of attorney granted by the Board of Directors on 27 February 2023, accept responsibility for the information contained in this Base Prospectus and declare, to the best of their knowledge, that the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus contains no omissions likely to affect its import.

### Authorisation

2. The update of the Programme was authorised by a resolution of the Board Directors of the Issuer passed on 27 February 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Third party information

3. Information included in this Base Prospectus sourced from a third party has been accurately reproduced, and so far as ABANCA is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Documents on Display

4. A copy of the Deed of Covenant may be inspected on ABANCA's corporate address for the 12 months from the date of this Base Prospectus.

### Issue Price and Yield

5. Notes may be issued at any price. The issue price of each Tranche to be issued under the Programme will be determined by the Issuer and the relevant dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the relevant Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche set out in the relevant Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

### Listing

6. Application may be made for Notes issued under the Programme to be listed on AIAF. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets (either Spanish, European or non-European, including regulated markets, multilateral trading facilities or any other organised markets) agreed between the Issuer and the relevant dealers in relation to the Series. The relevant Final Terms will state on which stock exchanges and/or markets the relevant Notes are to be listed and/or admitted to trading. No unlisted Notes may be issued under the Programme.
7. The Issuer shall procure the admission to trading of the Notes issued under the Programme within a maximum period of 30 days from the issue date of the relevant issuance.

### Paying agency

8. For Notes listed on AIAF, all payments under the Conditions of the Notes will be carried out directly by ABANCA through Iberclear. The corporate address of Iberclear is Plaza de la Lealtad 1, 28014 Madrid, Spain.

## **Stabilisation**

9. In connection with the issue of any Tranche, the dealer or dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the relevant Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## **Conflicts of Interest**

10. Certain of the dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, the relevant Final Terms will contain information on the interests of natural and legal persons involved in the issuances.

## **Validity of prospectus and prospectus supplements**

11. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

## SIGNATURES

In witness to their knowledge and approval of the contents of this Base Prospectus drawn up according to Annexes 7 and 15 of Delegated Regulation (EU) 2019/980 of 14 March 2019, it is hereby signed by Mr Juan Luis Vargas-Zúñiga de Mendoza, in his capacity as Chief Investment Officer (*Director General de Mercado de Capitales, Gestión y Distribución*) of the Bank, and Mr Alberto Manuel de Francisco Guisasola, in his capacity as Chief Financial Officer (*Director General de Finanzas*) of the Bank, acting under the power of attorney granted by the Board of Directors on 27 February 2023, in A Coruña, on 9 June 2023.

**REGISTERED OFFICE OF THE ISSUER**

**ABANCA Corporación Bancaria, S.A.**  
Calle Cantón Claudino Pita, 2  
Betanzos  
A Coruña  
Spain

**ARRANGER AND DEALER**

**Crédit Agricole Corporate and Investment Bank**  
12, place des Etats-Unis, CS 70052,  
92547 Montrouge,  
France

**LEGAL ADVISERS**

*To the Issuer  
as to Spanish and English law*

**Clifford Chance, S.L.P.**  
Paseo de la Castellana, 110  
28046 Madrid  
Spain

*To the Arranger and Dealer  
as to Spanish and English law*

**Allen & Overy**  
Serrano 73  
28006 Madrid  
Spain

**AUDITORS TO ABANCA**

**KPMG Auditores, S.L.**  
Paseo de la Castellana, 259 C  
28046, Madrid  
Spain