



ABANCA CORPORACIÓN BANCARIA, S.A.
*(incorporated as a limited liability company (sociedad anónima) under
the laws of the Kingdom of Spain)*

€500,000,000

Perpetual Non-Cumulative Additional Tier 1 Preferred Securities

The issue price of the €500,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities of €200,000 of Original Principal Amount each (as defined in the terms and conditions of the Preferred Securities (the "**Conditions**")) (the "**Preferred Securities**") of ABANCA Corporación Bancaria, S.A. (the "**Issuer**" or the "**Bank**" or "**ABANCA**") is 100% of their principal amount. The Preferred Securities have been issued on 19 September 2025 (the "**Closing Date**"). The Bank and its consolidated subsidiaries are referred to herein as the "**ABANCA Group**".

The Preferred Securities will accrue non-cumulative cash distributions ("**Distributions**") on their Outstanding Principal Amount (as defined in the Conditions), as follows: (i) in respect of the period from (and including) the Closing Date to (but excluding) 19 March 2032 (the "**First Reset Date**"), at the rate of 6.125% per annum, and (ii) in respect of each period from (and including) the First Reset Date and every fifth anniversary thereof (each a "**Reset Date**") to (but excluding) the next succeeding Reset Date (each such period, a "**Reset Period**"), at the rate per annum, calculated on an annual basis and then converted to a quarterly rate in accordance with market convention, equal to the aggregate of 3.885% per annum (the "**Initial Margin**") and the 5-year Mid-Swap Rate (as defined in the Conditions) for the relevant Reset Period. Subject as provided in the Conditions, such Distributions will be payable quarterly in arrear on 19 March, 19 June, 19 September and 19 December in each year (each a "**Distribution Payment Date**").

The Bank may elect, at its sole and absolute discretion, to cancel the payment of any Distribution (including any additional amounts pursuant to Condition 12) in whole or in part at any time as further provided in Condition 4.3. Without prejudice to the right of the Bank to cancel the payments of any Distribution: (a) payments of Distributions in any financial year of the Bank shall be made only to the extent the Bank has sufficient Distributable Items (as defined in the Conditions) and to the extent the Bank has insufficient Distributable Items to make Distributions on the Preferred Securities, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities; (b) if the Competent Authority (as defined in the Conditions) requires the Bank to cancel a relevant Distribution in whole or in part, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities; (c) the Bank may make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities if and to the extent that such payment would cause the Maximum Distributable Amount (as defined in the Conditions) to be exceeded, the payment of any Distribution was limited or suspended by the Relevant Resolution Authority (as defined in the Conditions) due to such payment exceeding the MREL-Maximum Distributable Amount (as defined in the Conditions) or otherwise would cause any other breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital (as defined in the Conditions) pursuant to Applicable Banking Regulations (as defined in the Conditions); and (d) if a Trigger Event (as defined below) occurs at any time on or after the Closing Date, any accrued and unpaid Distributions up to (but excluding) the relevant Write Down Date (as defined in the Conditions), shall be automatically cancelled.

If at any time the CET1 ratio (as defined in the Conditions) of any of ABANCA and/or of the ABANCA Group falls below 5.125% (each, a "Trigger Event"), the Outstanding Principal Amount of the Preferred Securities will be Written Down by the relevant Write Down Amount, as further provided in Condition 6.1. The Outstanding Principal Amount may, in the sole and absolute discretion of the Bank and subject to certain conditions, be subsequently reinstated (in whole or in part), out of any Net Profit (as defined in the Conditions) generated by each of ABANCA and the ABANCA Group, as applicable, as further described in Condition 6.2.

The Preferred Securities are perpetual. As further described in Condition 7.2, all, and not some only, of the Preferred Securities may be redeemed at the option of the Bank on any day falling in the period commencing on (and including) 19 September 2031 and ending on (and including) the First Reset Date and on any Distribution Payment Date thereafter, in each case at the Outstanding Principal Amount plus, if applicable, any accrued and unpaid Distributions for the then current Distribution Period (as defined in the Conditions) to (but excluding) the date fixed for redemption (the "**Redemption Price**"), provided that any principal amount by which the Preferred Securities have been Written Down has first been reinstated in full. The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank in whole but not in part, at any time, at the Redemption Price if there is any of a Capital Event, a Tax Event, an Eligible Liabilities Event or a Clean-Up Call Event (each as defined in the Conditions). Any such redemption will be subject to the prior consent of the Competent Authority and otherwise in accordance with the Applicable Banking Regulations then in force and provided, in the case of the Clean-Up Call Event, that any principal amount by which the Preferred Securities have been Written Down has first been reinstated in full.

Subject to the prior consent of the Competent Authority (and/or otherwise in accordance with the Applicable Banking Regulations then in force), if any of a Capital Event, a Tax Event or an Eligible Liabilities Event has occurred and is continuing, the Bank may substitute all (but not some only) of the Preferred Securities or vary the terms of all (but not some only) of the Preferred Securities, without the consent of the Holders (as defined below), so that they become or remain Qualifying Preferred Securities (as defined in the Conditions).

In the event of any voluntary or involuntary liquidation or winding-up of the Bank, Holders (as defined below) will be entitled to receive (subject to the limitations described in the Conditions), in respect of each Preferred Security, the Liquidation Distribution (as defined in the Conditions).

The Preferred Securities are rated BB- by Fitch Ratings Ireland Spanish Branch, Sucursal en España ("**Fitch**"). Fitch is established in the European Union ("EU") and is registered under Regulation (EC) No 1060/2009 on credit rating agencies (as amended, the "**CRA Regulation**"). Fitch appears on the latest update of the list of registered or certified credit rating agencies (as of 10 July 2024) on the European Securities and Markets Authority ("**ESMA**") website. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.**

This document (together with the information incorporated by reference) constitutes a prospectus (the "**Prospectus**") for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**") and 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. This Prospectus has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**") as competent authority under the Prospectus Regulation. The CNMV has only approved this 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 Issuer or the quality of the Preferred Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Preferred Securities.

Application has been made for the Preferred Securities to be admitted to trading on the Spanish AIAF Fixed Income Securities Market ("**AIAF**"). AIAF is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**"). The Preferred Securities

may also be admitted to trading on any other secondary market compliant with the requirements of Law 10/2014 (as defined below) as may be agreed by ABANCA acting reasonably.

Amounts payable under the Preferred Securities from and including the First Reset Date are calculated by reference to the 5-year Mid-Swap Rate which appears on the "ICAPEURO" screen, which is provided by ICAP information Services Limited, or by reference to EURIBOR 6-month (as defined in the Conditions) which appears on the "EURIBOR01" screen, which is provided by The European Money Markets Institute. As of the date of this Prospectus, ICAP information Services Limited and The European Money Markets Institute appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) No 2016/1011 (as amended, the "**Benchmark Regulation**").

Title to the Preferred Securities is evidenced by book entries, and each person shown in the central registry of the Spanish clearance and settlement system managed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("**Iberclear**") and in the registries maintained by the participating entities (*entidades participantes*) in Iberclear ("**Iberclear Members**") as having an interest in the Preferred Securities shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Preferred Securities recorded therein (a "**Holder**").

The Preferred Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors.

The Preferred Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to retail clients as defined in the rules set out in MiFID II in any jurisdiction of the European Economic Area ("EEA") or in the United Kingdom (the "UK"). Prospective investors are referred to the section headed "*Subscription and Sale—Selling Restrictions*" on pages 74 to 77 of this Prospectus for further information.

Investors in Hong Kong should not purchase the Preferred Securities in the primary or secondary markets unless they are professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO") and its subsidiary legislations or rules made under the SFO, "Professional Investors") only and understand the risks involved. The Preferred Securities are generally not suitable for retail investors.

Prospective purchasers of the Preferred Securities should ensure that they understand the nature of the Preferred Securities and the extent of their exposure to risks and that they consider the suitability of the Preferred Securities as an investment in the light of their own circumstances and financial condition.

An investment in the Preferred Securities involves certain risks. For a discussion of these risks see "*Risk Factors*" beginning on page 16.

The Preferred Securities have not been, and will not be, registered under the United States Securities Act of 1933 (as amended, the "**U.S. Securities Act**"), and are subject to United States tax law requirements. The Preferred Securities are being offered outside the United States in accordance with Regulation S under the U.S. Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The period of validity of this Prospectus is up to (and including) the admission to trading of the Preferred Securities. Once this Prospectus is no longer valid, the Issuer will have no obligation to supplement it in the event of significant new factors, material mistakes or material inaccuracies.

Sole Structuring Advisor and Joint Lead Manager

Crédit Agricole CIB

Joint Lead Managers

Barclays

BNP PARIBAS

BofA Securities

Deutsche Bank

J.P. Morgan

23 September 2025

CONTENT

IMPORTANT NOTICES	2
OVERVIEW	8
RISK FACTORS	16
INFORMATION INCORPORATED BY REFERENCE.....	29
CONDITIONS OF THE PREFERRED SECURITIES	30
USE OF PROCEEDS	61
DESCRIPTION OF ABANCA.....	62
TAXATION.....	63
SUBSCRIPTION AND SALE	74
MARKET INFORMATION.....	78
GENERAL INFORMATION	80

IMPORTANT NOTICES

This Prospectus is to be read in conjunction with the information incorporated by reference (see "*Information Incorporated by Reference*").

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus 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. In particular, ABANCA has not authorised the making or provision of any representation or information regarding ABANCA, the ABANCA Group or the Preferred Securities other than as contained in this Prospectus or as approved for such purpose by ABANCA. Any such representation or information should not be relied upon as having been authorised by ABANCA or Crédit Agricole Corporate and Investment Bank, Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Deutsche Bank Aktiengesellschaft and J.P. Morgan SE (the "**Joint Lead Managers**").

None of the Joint Lead Managers, nor any of their respective affiliates, has separately verified the information contained in, or incorporated by reference into, this Prospectus. Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in, or incorporated by reference into, this Prospectus or any other information supplied by ABANCA in connection with the Preferred Securities.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Preferred Security shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of ABANCA or the ABANCA Group since the date of this Prospectus or that any other information supplied in connection with the Preferred Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Lead Managers shall not be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of ABANCA or the ABANCA Group contained in the Preferred Securities, or any other agreement or document relating to the Preferred Securities, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

Each potential purchaser of Preferred Securities should determine for itself the relevance of the information contained in, or incorporated by reference into, this Prospectus and its purchase of Preferred Securities should be based upon such investigation as it deems necessary. None of the Joint Lead Managers undertakes to review the financial condition or affairs of ABANCA or the ABANCA Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Preferred Securities of any information coming to the attention of the Joint Lead Managers.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Preferred Securities and should not be considered as a recommendation by the Issuer or any Joint Lead Manager appointed in relation to this issue by the Issuer that any recipient of this Prospectus should subscribe or purchase any Preferred Securities. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer — as described below.

Potential investors are advised to exercise caution in relation to any purchase of the Preferred Securities. If a potential investor is in any doubt about any of the contents of this Prospectus, it should obtain independent professional advice. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein. The Preferred Securities are complex financial instruments and are not a suitable or appropriate investment for all investors. Each potential investor in the Preferred Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Preferred Securities, the merits and risks of investing in the Preferred Securities and the information contained or incorporated by reference in this Prospectus, taking into account that the Preferred Securities are a suitable investment for professional or institutional investors only;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Preferred Securities and the impact the Preferred Securities will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Preferred Securities, including where the currency for payments in respect of the Preferred Securities is different from the potential investor's currency;
- understands thoroughly the terms of the Preferred Securities, including the provisions relating to the payment and cancellation of Distributions and any Write Down (as defined in the Conditions), redemption or substitution of the Preferred Securities and any variation of their terms, and is familiar with the resolution regime applicable to the ABANCA Group; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks and is familiar with the behaviour of financial markets.

A potential investor should not invest in the Preferred Securities unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Preferred Securities will perform under changing conditions, the resulting effects on the value of the Preferred Securities and the impact this investment will have on the potential investor's overall portfolio.

The distribution of this Prospectus and the offering, sale and delivery of Preferred Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by ABANCA and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Preferred Securities and on distribution of this Prospectus and other offering material relating to the Preferred Securities, see "*Subscription and Sale*".

Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any restrictions applicable to the distribution of this Prospectus. For a description of certain restrictions on offers, sales and deliveries of the Preferred Securities, please see the sections below and "*Subscription and Sale*".

In particular, the Preferred Securities have not been and will not be registered under the U.S. Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Preferred Securities may not be offered, sold or delivered within the United States or to U.S. persons.

PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS

The Preferred Securities are complex financial instruments and are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Preferred Securities. Each of the Joint Lead Managers has represented and agreed that the offers of the Preferred Securities in the EEA and in the UK shall only be made to eligible counterparties and professional clients, each as defined in MiFID II or FCA Handbook Conduct of Business Sourcebook ("**COBS**") and UK MiFIR (as defined below).

In particular, in June 2015, the UK Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**").

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the "**PRIIPs Regulation**") became directly applicable in all EEA member states and (ii) MiFID II was required to be implemented in EEA member states by 3 January 2018.

The provisions of the PRIIPs Regulation as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "**EUWA**") are referred to herein as the "**UK PRIIPs Regulation**"; and the provisions of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA are referred to herein as "**UK MiFIR**".

Together the PI Instrument, the PRIIPs Regulation, MiFID II, the UK PRIIPs Regulation, the UK MiFIR and the COBS are referred to as the "**Regulations**".

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and the (ii) offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent convertible or write-down securities such as the Preferred Securities.

In addition, in October 2022, the Hong Kong Monetary Authority (the "**HKMA**") issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "**Loss Absorption Products**"), are to be targeted in Hong Kong at Professional Investors only and are generally not suitable for retail investors in either the primary or secondary markets. Investors in Hong Kong should not purchase the Preferred Securities in the primary or secondary markets unless they are Professional Investors only and understand the risks involved.

The Preferred Securities are generally not suitable for retail investors.

The Joint Lead Managers are required to comply with some or all of the Regulations and/or the HKMA Circular (if and as applicable). By purchasing, or making or accepting an offer to purchase any Preferred Securities (or a beneficial interest in the Preferred Securities) from ABANCA and/or the Joint Lead Managers each prospective investor represents, warrants, agrees with and undertakes to ABANCA and each of the Joint Lead Managers that:

1. it is not a retail client (as defined in MiFID II);
2. it is not a retail client (as defined in Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA) in the UK;
3. whether or not it is subject to the Regulations or the HKMA Circular, it will not:
 - (A) sell or offer the Preferred Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II or Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA) or to any person other than a Professional Investor in Hong Kong; or
 - (B) communicate (including the distribution of the Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Preferred Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (in each case within the meaning of the Regulations) or a client in Hong Kong who is not a Professional Investor.

In selling or offering the Preferred Securities or making or approving communications relating to the Preferred Securities, it may not rely on the limited exemptions set out in the COBS;

4. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK or Hong Kong) relating to the promotion, offering, distribution and/or sale of the Preferred Securities (or any beneficial interests therein), including (without limitation) MiFID II, UK MiFIR and the HKMA Circular and any other such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Preferred Securities (or any beneficial interests therein) by investors in any relevant jurisdiction having regard to the target market assessment for the Preferred Securities and the absence of a key information document (KID); and
5. if it is in Hong Kong, it is a Professional Investor.

Each prospective investor further acknowledges that:

- (i) the identified target market for the Preferred Securities (for the purposes of the product governance obligations in MiFID II and the FCA Handbook Product Intervention and Product Governance Sourcebook) is eligible counterparties and professional clients; and
- (ii) no key information document (KID) under the PRIIPs Regulation or the UK PRIIPs Regulation has been prepared and therefore offering or selling the Preferred Securities or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation or the UK PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Preferred Securities (or any beneficial interests therein) from ABANCA and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Each potential investor should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Preferred Securities (or any beneficial interests therein), including the Regulations and the HKMA Circular.

As agreed by ABANCA and the Joint Lead Managers, offers of the Preferred Securities in the Kingdom of Spain have only been directed specifically at or made to professional clients (*clientes profesionales*) as defined in Article 194 of the Law 6/2023, of 17 March, on Securities Markets and Investment Services (as amended, the "**Spanish Securities Market Law**") and Article 112 of Royal Decree 813/2023, of 8 November (as amended or replaced from time to time) and eligible counterparties (*contrapartes elegibles*) as defined in Article 196 of the Spanish Securities Market Law.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Preferred Securities 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 (as amended, 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 (KID) required by the PRIIPs Regulation for offering or selling the Preferred Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Preferred Securities 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 Preferred Securities 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 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 domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**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 UK MiFIR.

Consequently no key information document (KID) required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (as amended, the "**UK PRIIPs Regulation**") for offering or selling the Preferred Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Preferred Securities 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 CLIENTS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Preferred Securities has led to the conclusion that: (i) the target market for the Preferred Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Preferred Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that Preferred Securities are incompatible with the needs, characteristic and objectives of clients which have no risk tolerance or are seeking on-demand full repayment of the amounts invested. Any person subsequently

offering, selling or recommending the Preferred Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Preferred Securities has led to the conclusion that: (i) the target market for the Preferred Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Preferred Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Preferred Securities (a "**distributor**") should take into consideration the manufacturers' 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 Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

FINANCIAL INFORMATION

Certain figures included in this 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. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements and objectives. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer are forward-looking statements and objectives. These forward-looking statements and objectives involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements and objectives.

These forward-looking statements and objectives are based on numerous assumptions regarding the present and future business strategies of the Issuer and/or the ABANCA Group and the environment in which it expects to operate in the future. Important factors that could cause the Issuer's and/or the ABANCA Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors described in this Prospectus: (i) the Issuer's ability to integrate its newly-acquired operations and any future expansion of its business; (ii) the Issuer's ability to realise the benefits it expects from existing and future investments in its existing operations and pending expansion and development projects; (iii) the Issuer's ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed investments; (iv) the Issuer's ability to maintain sufficient capital to fund its existing and future operations; (v) changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate; (vi) changes in the competitive environment in which the Issuer and its customers operate; and (vii) failure to comply with regulations applicable to the business of the Issuer.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Any forward-looking statements and objectives made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements and objectives to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that the Issuer has made or may make in documents the Issuer has filed or may file with the CNMV.

In light of these risks, uncertainties and assumptions, the forward-looking events and objectives described in this Prospectus may or may not occur in the future. Additional risks that the ABANCA Group may currently deem immaterial or that are not presently known to the ABANCA Group could also cause the forward-looking events and objectives discussed in this Prospectus not to occur. These forward-looking statements and objectives speak only as of the date of this Prospectus. Except as otherwise required by Spanish and other applicable securities laws and regulations and by any applicable stock exchange regulations, the ABANCA Group undertakes no obligation to update publicly or revise publicly any forward-looking statements and objectives, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Prospectus. Given the uncertainty inherent in forward-looking statements and objectives, the ABANCA Group cautions prospective investors not to place undue reliance on these statements.

OVERVIEW

The following is an overview of certain information relating to the Preferred Securities, including the principal provisions of the terms and conditions thereof. This overview must be read as an introduction to this Prospectus and any decision to invest in the Preferred Securities should be based on a consideration of this Prospectus as a whole, including the information incorporated by reference. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. See, in particular, "*Conditions of the Preferred Securities*".

Words and expressions defined in the Conditions shall have the same meanings in this overview.

Issuer	ABANCA Corporación Bancaria, S.A.
Joint Lead Managers	Crédit Agricole Corporate and Investment Bank, Barclays Bank Ireland PLC, BNP PARIBAS, BofA Securities Europe SA, Deutsche Bank Aktiengesellschaft and J.P. Morgan SE.
Risk Factors	There are certain factors and uncertainties that could have a material adverse effect on the business, financial condition, results of operations and prospects of the Bank and that may affect the Bank's ability to fulfil its obligations under the Preferred Securities. These are set out under the section " <i>Risk Factors</i> " in the Registration Document. In addition, there are certain factors which are material for the purpose of assessing the risks associated with the Preferred Securities. See " <i>Risk Factors</i> " beginning on page 16.
Issue size	€500,000,000
Closing Date	19 September 2025
Issue details	€500,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities. ABANCA intends that the Preferred Securities qualify as Additional Tier 1 Capital of ABANCA and the ABANCA Group pursuant to Applicable Banking Regulations.
Original Principal Amount	€200,000 per Preferred Security.
Outstanding Amount	Principal In respect of each Preferred Security, at any time, the Original Principal Amount of such Preferred Security as reduced from time to time by any Write Down or any other write down or cancellation, as the case may be, and, if applicable, as subsequently increased from time to time by any Write Up in accordance with Condition 6.
Use of Proceeds	The Bank intends to use the net proceeds from the issue of the Preferred Securities for its general corporate purposes and to further strengthen its regulatory capital, including the refinancing of existing preferred securities. Such refinancing may relate to the repurchase of some or all of the Issuer's outstanding €375,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities (ISIN ES0865936019) issued on 20 January 2021 pursuant to the tender offer announced by the Issuer on 8 September 2025, which repurchase has been authorised by the European Central Bank.
Distributions	The Preferred Securities accrue Distributions on their Outstanding Principal Amount as follows: (i) in respect of the period from (and including) the Closing Date to (but excluding) the First Reset Date at the rate of 6.125% per annum; and (ii) in respect of each Reset Period, at the rate per annum equal to the aggregate of the Initial

Margin and the 5-year Mid-Swap Rate (quoted on an annual basis) for such Reset Period, first calculated on an annual basis and then converted to a quarterly rate in accordance with market convention (rounded to four decimal places, with 0.00005 rounded down), all as determined by the Bank on the relevant Reset Determination Date. Subject as provided in the Conditions (see "*Limitations on Distributions*" below), such Distributions will be payable quarterly in arrear on each Distribution Payment Date.

For further information, see Condition 4.

Limitations on Distributions

The Bank may elect, at its sole and absolute discretion, to cancel the payment of any Distribution (including any additional amounts pursuant to Condition 12) in whole or in part at any time that it deems necessary or desirable and for any reason.

Payments of Distributions in any financial year of the Bank shall be made out of Distributable Items of the Bank.

Without prejudice to the right of the Bank to cancel payments of any Distribution:

Payments of Distributions (including any additional amounts pursuant to Condition 12) in any financial year of the Bank shall be made only to the extent the Bank has sufficient Distributable Items. To the extent that the Bank has insufficient Distributable Items to make Distributions (including any additional amounts pursuant to Condition 12) on the Preferred Securities scheduled for payment in the then current financial year and any interest payments, distributions or other payments on own funds items that have been paid or made or are scheduled or required to be paid out of or conditional to sufficient Distributable Items in the then current financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Bank or which are not required to be made conditional upon Distributable Items, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 12) on the Preferred Securities.

If the Competent Authority, in accordance with Article 68 of Law 10/2014 and/or Article 16 of the SSM Regulation and/or with Applicable Banking Regulations, requires the Bank to cancel a relevant Distribution (including any additional amounts pursuant to Condition 12) in whole or in part, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 12) on the Preferred Securities.

The Bank may make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 12) on the Preferred Securities if and to the extent that (i) payment of any Distribution (including any additional amounts pursuant to Condition 12) would cause, when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD Directive (or, as the case may be, any provision of Spanish law transposing or implementing CRD, which will include Article 48 of Law 10/2014 and any of its development provisions) the Maximum Distributable Amount to be exceeded; (ii) payment of any Distribution was prohibited, limited or suspended by the Relevant Resolution Authority in accordance

with Article 10a of the SRM Regulation and/or Article 16a of BRRD (or, as the case may be, any provision of Spanish law transposing or implementing BRRD, which will include Article 16bis of Law 11/2015 and any of its development provisions) due to such payment exceeding the MREL-Maximum Distributable Amount; or (iii) otherwise would cause any other breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital pursuant to Applicable Banking Regulations.

If a Trigger Event occurs at any time on or after the Closing Date, any accrued and unpaid Distributions up to (but excluding) the corresponding Write Down Date (whether or not such distributions have become due for payment) shall be automatically cancelled in accordance with Condition 6.1(a)(iii).

Distributions on the Preferred Securities will be non-cumulative. Accordingly, if any Distribution (or part thereof) is not made in respect of the Preferred Securities as a result of any election of the Bank to cancel such Distribution pursuant to Condition 4.3 or the limitations on payment set out in Conditions 4.4 and 6.1(a)(iii), then the right of the Holders to receive the relevant Distribution (or part thereof) in respect of the relevant Distribution Period will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof) accrued for such Distribution Period or to pay any interest thereon, whether or not Distributions on the Preferred Securities are paid in respect of any future Distribution Period.

If the Bank does not pay a Distribution or part thereof on the relevant Distribution Payment Date, such non-payment shall evidence the cancellation of such Distribution (or relevant part thereof) or, as appropriate, the Bank's exercise of its discretion to cancel such Distribution (or relevant part thereof) and accordingly, such Distribution shall not in any such case be due and payable.

For further information, see Condition 4.

Status of the Preferred Securities

The payment obligations of the Bank under the Preferred Securities constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1 of the Spanish 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).

For further information, see Condition 3.

Optional Redemption

Provided that any principal amount by which the Preferred Securities have been Written Down has first been reinstated in full, all, and not some only, of the Preferred Securities may be redeemed at the option of the Bank on any day falling in the period commencing on (and including) 19 September 2031 and including the First Reset Date and on any Distribution Payment Date thereafter, in each case, at the Redemption Price. Any optional redemption described above shall be subject to the prior consent of the Competent Authority in compliance with Articles 77 and 78 of CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and any Applicable Banking Regulations then in force.

The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank in whole but not in part, at any time,

at the Redemption Price if there is any of a Capital Event, a Tax Event, an Eligible Liabilities Event or a Clean-Up Call Event, subject, in each case, to the prior consent of the Competent Authority in compliance with Articles 77 and 78 of CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and any Applicable Banking Regulations then in force and provided, in the case of the Clean-Up Call Event, that any principal amount by which the Preferred Securities have been Written Down has first been reinstated in full.

For further information, see Condition 7.

Substitution and Variation

Subject to the prior consent of the Competent Authority (and in compliance with Applicable Banking Regulations then in force), if any of a Capital Event, a Tax Event or an Eligible Liabilities Event has occurred and is continuing, the Bank may substitute all (but not some only) of the Preferred Securities or vary the terms of all (but not some only) of the Preferred Securities, without the consent of the Holders, so that they become or remain Qualifying Preferred Securities.

For further information, see Condition 8.

Trigger Event:

If, at any time, as determined by the Bank or the Competent Authority (or any other agent appointed for such purpose by the Competent Authority) in accordance with the Applicable Banking Regulations, the CET1 ratio of any of the Bank and/or the ABANCA Group is less than 5.125%.

Liquidation Distribution

Subject as provided below, in the event of any voluntary or involuntary liquidation or winding-up of the Bank, the Preferred Securities will confer an entitlement to receive out of the assets of the Bank available for distribution to Holders, the Outstanding Principal Amount per Preferred Security plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date of payment of the Liquidation Distribution. Such entitlement will arise before any distribution of assets is made to holders of ordinary shares of the Bank or any other instrument of the Bank ranking junior to the Preferred Securities.

If, before such liquidation or winding-up of the Bank described above, a Trigger Event occurs but the relevant reduction of the Outstanding Principal Amount is still to take place, the entitlement conferred by the Preferred Securities for the above purposes, will be an entitlement to receive out of the relevant assets of the Bank a monetary amount equal to that which Holders would have received on any distribution of the assets of the Bank if such reduction had taken place immediately prior to such liquidation or winding-up or otherwise in accordance with the applicable law at such time.

For further information, see Condition 5.

Loss Absorption following a Trigger Event

If at any time on or after the Closing Date a Trigger Event occurs, the Bank will (i) immediately notify the Competent Authority that a Trigger Event has occurred; (ii) as soon as reasonably practicable deliver a Write Down Notice to Holders; (iii) cancel any accrued and unpaid Distributions up to (but excluding) the relevant Write Down Date; and (iv) irrevocably and mandatorily (and without the need for the consent of the Holders) without delay, and by no later

than one month from the occurrence of the relevant Trigger Event, reduce the then Outstanding Principal Amount of each Preferred Security by the relevant Write Down Amount.

For further information, see Condition 6.1.

Write Up

Subject to compliance with the prevailing Applicable Banking Regulations, if, following a Write Down, each of the Bank and the ABANCA Group records a positive Net Profit at any time while the Outstanding Principal Amount of the Preferred Securities is less than their Original Principal Amount, the Bank may, at its full discretion, increase the Outstanding Principal Amount of each Preferred Security by such amount as the Bank may elect, provided that such Write Up shall not:

- (i) result in the Outstanding Principal Amount of the Preferred Securities being greater than their Original Principal Amount;
- (ii) be operated whilst a Trigger Event has occurred and is continuing;
- (iii) result in the occurrence of a Trigger Event; or
- (iv) result in the Maximum Write Up Amount to be exceeded when taken together with the aggregate of:
 - a. any previous Write Up of the Preferred Securities out of the same Net Profit since the end of the then previous financial year;
 - b. the aggregate amount of any Distribution payments on the Preferred Securities that were paid or calculated (but disregarding any Distributions cancelled) on the basis of an Outstanding Principal Amount that is lower than the Original Principal Amount at any time after the end of the then previous financial year;
 - c. the aggregate amount of the increase in principal amount of the Loss Absorbing Written Down Instruments to be written-up out of the same Net Profit concurrently (or substantially concurrently) with the Write Up and (if applicable) any previous increase in principal amount of such Loss Absorbing Written Down Instruments out of the same Net Profit since the end of the then previous financial year; and
 - d. the aggregate amount of any distribution payments on such Loss Absorbing Written Down Instruments that were paid or calculated (but disregarding any distributions cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Written Down Instruments were issued at any time after the end of the then previous financial year.

A Write Up will also not be effected in circumstances in which it would cause any Maximum Distributable Amount or MREL- Maximum Distributable Amount (if any) to be exceeded.

For further information, see Condition 6.2.

Purchases	<p>The Bank or any member of the ABANCA Group may purchase or otherwise acquire any of the outstanding Preferred Securities at any price in the open market or otherwise, in compliance with Applicable Banking Regulations in force at the relevant time, including the applicable limits referred to in Article 78(1) of CRR and subject to the prior consent of the Competent Authority, if required.</p> <p>For further information, see Condition 9.</p>
Waiver of set-off	<p>No Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Bank has or may have or acquire against such Holder, directly or indirectly, howsoever arising 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.</p> <p>For further information, see Condition 10.</p>
Resolutions of Holders	<p>The Conditions contain provisions for convening meetings of Holders to consider matters affecting their interests generally and which establishes defined majorities to bind all Holders. The provisions governing the manner in which Holders may attend and vote at a meeting of the holders of Preferred Securities must be notified to Holders in accordance with Condition 13 and/or at the time of service of any notice convening a meeting. Resolutions may be also adopted by Holders in writing and by way of electronic consent. For the validity of the electronic consents, the authenticity and traceability required by the regulations in force shall be guaranteed.</p> <p>Notwithstanding the above, the Preferred Securities shall not confer any entitlement to receive notice of or attend or vote at any meeting of shareholders of the Bank.</p> <p>For further information, see Condition 11.</p>
Withholding Tax and Additional Amounts	<p>All payments of Distributions and other amounts payable (excluding, for the avoidance of doubt, any repayment of principal) in respect of the Preferred Securities by or on behalf of the Bank 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 imposed or levied by or on behalf of the Kingdom of Spain 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 in respect of payments of Distributions (but not any Outstanding Principal Amount or other amount), the Bank shall (to the extent such payment can be made on the same basis as for payment of any Distribution in accordance with Condition 4) pay such additional amounts as will result in Holders receiving such amounts as they would have received in respect of such Distribution had no such withholding or deduction been required, subject to the exceptions provided in Condition 12.</p> <p>For further information, see Condition 12 and "<i>Taxation—Tax treatment of the Preferred Securities</i>".</p>
Form	<p>The Preferred Securities have been issued in uncertificated, dematerialised book-entry form (<i>anotaciones en cuenta</i>) in euro in</p>

an aggregate nominal amount of €500,000,000 and Original Principal Amount of €200,000 each.

Registration, clearing and settlement	The Preferred Securities have been registered with Iberclear as managing entity of the Spanish Central Registry (as defined in the Conditions). Holders of a beneficial interest in the Preferred Securities who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Preferred Securities through bridge accounts maintained by each of Euroclear Bank SA/NV and Clearstream Banking, S.A. with Iberclear.
Title and transfer	<p>Title to the Preferred Securities is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the Iberclear Members as having an interest in the Preferred Securities shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Preferred Securities recorded therein. For these purposes, the "Holder" has the meaning given to such term in Condition 2.3.</p> <p>The Preferred Securities are issued without any restrictions on their transferability.</p> <p>For further information, see Condition 2.</p>
Rating	The Preferred Securities are rated BB- by Fitch.
Listing and admission to trading	Application has been made for the Preferred Securities to be admitted to trading on AIAF. The Preferred Securities may also be admitted to trading on any other secondary market compliant with the requirements of Law 10/2014 as may be agreed by ABANCA acting reasonably.
Governing Law	The Preferred Securities and any non-contractual obligations arising out of or in connection with the Preferred Securities shall be governed by, and construed in accordance with, Spanish law (<i>legislación común española</i>).
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Preferred Securities in the United States, the European Economic Area, the United Kingdom, Canada, Singapore, Hong Kong, Switzerland, the Kingdom of Spain, the Republic of Italy and Belgium. Regulation S, category 2 restrictions under the U.S. Securities Act apply. The Preferred Securities have not and will not be eligible for sale in the United States under Rule 144A of the U.S. Securities Act. For further information, see " <i>Subscription and Sale—Selling Restrictions</i> ".
Loss Absorbing Power	<p>The obligations of the Bank under the Preferred Securities are subject to, and may be limited by, the exercise of any Loss Absorbing Power by the Relevant Resolution Authority.</p> <p>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.</p> <p>Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority with respect to the Preferred Securities, the</p>

Bank 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 Bank to deliver a notice to the Holders shall affect the validity or enforceability of the exercise of the Loss Absorbing Power.

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 Preferred Securities pursuant to the Loss Absorbing Power will be made on a pro-rata basis.

None of a cancellation of the Preferred Securities, a reduction in the Amount Due, the conversion thereof into another security or obligation of the Bank or another person, as a result of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to the Bank or the exercise of the Loss Absorbing Power with respect to the Preferred Securities will be an event of default or otherwise constitute non-performance of a contractual obligation.

For further information, see Condition 14.

RISK FACTORS

Any investment in the Preferred Securities involves a high degree of risk. In purchasing the Preferred Securities, investors assume, among others, the risk that the Bank may become insolvent or otherwise be unable to make all payments due in respect of the Preferred Securities. Prior to investing in the Preferred Securities, prospective investors should carefully consider risk factors associated with any investment in the Preferred Securities, the business of ABANCA (and of the ABANCA Group) and the industry in which it operates together with all other information contained in this Prospectus, including, in particular the risk factors described below and the risk factors described in the section "Risk Factors" in the Registration Document.

Only risks which are specific to the Preferred Securities are included herein as required by the Prospectus Regulation. Investors should consider carefully whether an investment in the Preferred Securities is suitable for them in light of the information in this Prospectus and their personal circumstances. Risks that apply generally to securities with the characteristics of the Preferred Securities (for instance, risks related to modifications of the Preferred Securities approved by a meeting of Holders of the Preferred Securities, risks related to the absence of limitations on the amount or type of further securities or indebtedness which the Bank may incur or risks related to fluctuations in market interest rates or risk related to the impact of the tax regime), that apply generally to negotiable securities such as those related to the secondary market in general (for instance, illiquidity or price fluctuations) and those related to the credit ratings assigned to the Preferred Securities (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 Preferred Securities.

Words and expressions defined in the "Conditions of the Preferred Securities" below or elsewhere in this Prospectus have the same meanings in this section.

RISKS RELATING TO THE PREFERRED SECURITIES

The Preferred Securities are subject to the provisions of Spanish laws and their official interpretation, which may have a material adverse effect on the terms and conditions of the Preferred Securities and their market value

The Conditions have been established in accordance with Spanish laws in force as of the date of this Prospectus. Any change in such laws or their official interpretation by the regulatory authorities after the date of this Prospectus may affect the rights and effective remedies of Holders and the market value of the Preferred Securities. Therefore, any such changes, which may include, among others, changes in statutory, tax and regulatory regimes during the life of the Preferred Securities, may adversely affect the investment in the Preferred Securities.

In addition, any such changes (including those that may result from the publication of the technical standards interpreting CRR), could affect the calculation of the CET1 ratios or the CET1 capital of the Bank or the ABANCA Group or the Risk-Weighted Assets Amount of the Bank or the ABANCA Group. As the occurrence of the Trigger Event and the restrictions on Distributions to a Maximum Distributable Amount depend, in part, on the calculation of these ratios and capital measures, any such changes could also affect the determination of whether the Trigger Event has actually occurred and/or whether Distributions on the Preferred Securities are subject to restrictions.

The foregoing calculations may also be affected by changes in applicable accounting rules (including IFRS 9), the accounting policies of the ABANCA Group and the application of such policies, including changes over which the ABANCA Group has discretion. Any such changes may have a material adverse effect on the reported financial position of the ABANCA Group (and thus, may cause a Trigger Event to occur), notwithstanding the adverse effect on Holders.

Such legislative and regulatory uncertainty could affect an investor's ability to accurately value the Preferred Securities and, therefore, affect the market price of the Preferred Securities, depending on the extent and impact of one or more regulatory or legislative changes on the Preferred Securities.

The Preferred Securities may be subject to the exercise of the Spanish Bail-in Power and/or the Non-Viability Loss Absorption by the Relevant Resolution Authority and, in general, to the powers that may be exercised by the Relevant Resolution Authority under Law 11/2015 and the SRM Regulation

As set out in the section headed "*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*" in the Registration Document, the Preferred Securities may be subject to the bail-in tool (the Spanish Bail-in Power as defined therein) and to the write-down and conversion powers (the Non-Viability Loss Absorption as defined therein) and, in general, to the powers that may be exercised by the Relevant Resolution Authority (as defined therein) pursuant to BRRD, Law 11/2015 and the 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, the "**SRM Regulation**"). Such powers are in addition to the operation of the Write Down upon the occurrence of a Trigger Event pursuant to the Conditions and could be exercised by the Relevant Resolution Authority at any time if the relevant pre-conditions are met (including before a Trigger Event occurs).

To the extent that the resulting treatment of a Holder following the exercise of the Spanish Bail-in Power or, if applicable, the Non-Viability Loss Absorption, is less favourable than would have been in a normal insolvency proceeding, a Holder of such affected Preferred Securities may be entitled 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 for by the Applicable Banking Regulations (including, among others, compensation under Article 36.5 of Law 11/2015), is unlikely to compensate the Holder for the losses it has actually suffered and there is likely to be a significant delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made substantially later than when amounts would otherwise have been due under the affected Preferred Securities. In addition, in the case of a Non-Viability Loss Absorption, it is unclear whether a Holder would be entitled to compensation under the BRRD and the SRM Regulation if the resulting treatment of such Holder as a result of the exercise of the Non-Viability Loss Absorption is less favourable than it would have been the case in a normal insolvency proceeding.

The powers set out in the BRRD, as implemented in the Kingdom of Spain by Law 11/2015, Royal Decree 1012/2015 and the SRM Regulation, will affect the management of credit institutions and investment firms and, in certain circumstances, the rights of creditors. Pursuant to Law 11/2015, upon the application of the Spanish Bail-in Power, Holders may, among others, be subject to a write-down (including to zero) or conversion into equity or other securities or obligations of the amounts due under the Preferred Securities and, in addition, may be subject to the Non-Viability Loss Absorption. The exercise of any such powers (or any other resolution powers and tools) may result in such Holders losing some or all of their investment or otherwise having their rights under the Preferred Securities adversely affected, including by becoming holders of further subordinated instruments (i.e. ordinary shares of the Bank). Such exercise could also result in the modification or omission of certain terms and conditions of the Preferred Securities, including the modification of the Liquidation Distribution or any Distributions payable on the Preferred Securities or the dates on which payments may be due, as well as the suspension of payments for a certain period (but without limiting the right of the Bank under Condition 4 of the Preferred Securities to cancel payment of any Distributions at any time and for any reason).

Furthermore, the exercise of the Spanish Bail-in Power or, if applicable, the Non-Viability Loss Absorption, with respect to the Preferred Securities or the taking of any other action by the Relevant Resolution Authority, or any suggestion that the exercise or taking of any such action may occur, could have a material adverse effect on the rights of Holders, the market price or value or trading behaviour of the Preferred Securities and/or the ability of the Bank to meet its obligations under the Preferred Securities. There may be limited protections, if any, available to holders of securities subject to the Spanish Bail-in Power and the Non-Viability Loss Absorption (including the Preferred Securities) and the broader resolution powers of the Relevant Resolution Authority. Accordingly, Holders may have limited or restricted rights to challenge any decision by the Relevant Resolution Authority to exercise such powers.

The exercise of the Spanish Bail-in Power and/or the Non-Viability Loss Absorption by the Relevant Resolution Authority in respect of the Preferred Securities is likely to be inherently unpredictable and may depend on a number of factors which may also be beyond the control of the Bank. In addition, as the Relevant Resolution Authority will retain an element of discretion, Holders may not be able to rely on

publicly available criteria to anticipate the potential exercise of any such Spanish Bail-in Power and/or the Non-Viability Loss Absorption. Because of this inherent uncertainty, it will be difficult to predict when, if ever, and the extent to which the Relevant Resolution Authority may exercise such powers.

This uncertainty may adversely affect the value of the Preferred Securities. The price and trading behaviour of the Preferred Securities may be affected by the threat of a possible exercise of any power under Law 11/2015 (including any early intervention measure prior to any resolution) or any suggestion of such exercise, even if the likelihood of such exercise is remote. Moreover, the Relevant Resolution Authority may exercise any such powers without prior notice to the Holders.

In addition, the Conditions provide that the obligations of the Bank under the Preferred Securities are subject to, and may be limited by, the exercise of any Loss Absorbing Power (defined to include the powers defined herein as Spanish Bail-in Power and Non-Viability Loss Absorption) by the Relevant Resolution Authority, pursuant to which obligations under the Preferred Securities can be reduced, cancelled, suspended or modified.

The Preferred Securities are perpetual

The Bank has no obligation to redeem the Preferred Securities at any time and the Holders have no right to demand redemption. Only in the event of a voluntary or involuntary liquidation or winding-up of the Bank, the Preferred Securities will give rise to a right to receive the Liquidation Distribution out of the assets of the Bank available for distribution to the Holders.

Upon the occurrence of a Trigger Event, the principal amount of the Preferred Securities will be Written Down

The Preferred Securities are being issued for capital adequacy regulatory purposes with the intention and purpose of qualifying as Additional Tier 1 Capital of the Bank and the ABANCA Group. Such eligibility is subject to the satisfaction of a number of conditions set forth in the Conditions. One of these conditions relates to the ability of the Preferred Securities and the proceeds of their issuance to readily absorb any losses of the Bank and the ABANCA Group, respectively.

Accordingly, if at any time the CET1 ratio of the Bank and/or the ABANCA Group falls below 5.125% (a "**Trigger Event**"), ABANCA shall immediately notify the Competent Authority, cancel all accrued and unpaid Distributions up to (but excluding) the relevant Write Down Date and, without undue delay and no later than one month after the occurrence of the relevant Trigger Event, irrevocably and mandatorily (and without the need for the consent of the Holders), reduce the then Outstanding Principal Amount of each Preferred Security by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly). Any such determination shall be binding on the Holders as described in the Conditions.

A Write Down of the Preferred Securities will affect the claims of the Holders in various respects. First, in the event of a liquidation or winding-up of ABANCA, the Holders' claims will be for the Outstanding Principal Amount (together with any accrued and unpaid Distributions) of the Preferred Securities at the time of the liquidation or winding-up of ABANCA and not for the Original Principal Amount. Similarly, upon any redemption of the Preferred Securities by ABANCA following the occurrence of any of a Capital Event, a Tax Event or an Eligible Liabilities Event, the redemption amount of each Preferred Security will be its Outstanding Principal Amount (together with any accrued and unpaid Distributions) and not its Original Principal Amount. ABANCA will not be permitted to redeem the Preferred Securities pursuant to Condition 7.2 and Condition 7.6 until any principal amount by which the Preferred Securities have been Written Down pursuant to Condition 6.1 has first been reinstated in full pursuant to Condition 6.2; provided, however, that this restriction will not apply to a redemption following the occurrence of any of a Capital Event, a Tax Event or an Eligible Liabilities Event.

Second, Distributions will accrue only on the Outstanding Principal Amount of the Preferred Securities from time to time, and, accordingly, for so long as the Outstanding Principal Amount of the Preferred Securities is less than their Original Principal Amount, the maximum amount of Distributions that may be paid by ABANCA on any Distribution Payment Date (subject always to applicable payment restrictions and the cancellation of Distributions as provided in Condition 4) will be less than if no Write Down had occurred.

A Write Down may occur on any one or more occasions, and the Outstanding Principal Amount of the Preferred Securities may be reduced in whole or in part (except that no Preferred Security may be Written Down below one cent (€0.01)). Holders will not be entitled to any compensation or other payment as a result of a Write Down of the Preferred Securities. Accordingly, if a Trigger Event occurs, Holders may lose all or part of the value of their investment in the Preferred Securities if ABANCA subsequently redeems the Preferred Securities following the occurrence of any of a Tax Event, a Capital Event or an Eligible Liabilities Event or a liquidation or winding-up of ABANCA occurs.

While the Conditions provide for a Write Up of the principal amount of the Preferred Securities under certain circumstances, any such Write Up will be at the sole and absolute discretion of ABANCA, there is no provision for an automatic Write Up of the Preferred Securities under any circumstances and any Write Up will be subject to certain restrictions. A Write Up may only occur if each of the Bank and the ABANCA Group generates a positive Net Profit in a given financial year and up to the Maximum Write Up Amount. Further, no Write Up will be made in circumstances where it would cause a Trigger Event, or would result in the Maximum Distributable Amount (if any) being exceeded. See Condition 6.2 for further details. Even if, following a Trigger Event, each of the Bank and the ABANCA Group records a positive Net Profit, there can be no assurance that a Write Up of any part of the principal amount of the Preferred Securities will be effected.

The circumstances that can lead to a Trigger Event are unpredictable

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, many of which are beyond the Bank's control. For example, the occurrence of one or more of the risks described under "—Risks relating to the ABANCA Group" in the Registration Document or the deterioration of the circumstances described therein could increase the likelihood of the occurrence of a Trigger Event (at any level).

Furthermore, the occurrence of a Trigger Event depends on the calculation of the CET1 ratio, which may be affected by, among others, the growth of the Bank's or the ABANCA Group's business and their future earnings; the Bank's expected payments of dividends and distributions and other equivalent payments in respect of instruments ranking junior to the Preferred Securities as well as other instruments ranking pari passu with them by law or their terms, to the extent permitted by law; regulatory changes (including possible changes in regulatory capital definitions, calculations and RWAs - for example, the introduction of the output floor under the Basel IV framework); changes in the structure or organisation of the Bank and the ABANCA Group; and changes to the ability of the Bank and the ABANCA Group to actively manage their RWAs. The CET1 ratios of each of the Bank and the ABANCA Group at any time may also depend on decisions taken by the Bank in relation to its business and operations, as well as the management of their capital position. The Bank will not be obliged to take into account the interests of the Holders in connection with strategic decisions, including in respect of capital management. Holders will have no claim against the Bank or any other member of the ABANCA Group in relation to any such decision, which may cause Holders to lose all or part of the value of their investment in the Preferred Securities. In addition, since the Competent Authority may require the Bank to calculate the CET1 ratios at any time, a Trigger Event could occur at any time. See risk factor "*The Preferred Securities are subject to the provisions of Spanish laws and their official interpretation, which may have a material adverse effect on the terms and conditions of the Preferred Securities and their market value*".

Due to the inherent uncertainty in determining whether a Trigger Event has occurred, it will be difficult to predict when, if ever, the Outstanding Principal Amount of the Preferred Securities will be written down. Accordingly, trading behaviour with respect to the Preferred Securities is not necessarily expected to follow trading behaviour with respect to other types of securities. Any indication that the CET1 ratio of the Bank and/or the ABANCA Group is decreasing (and thus the risk of a Trigger Event is becoming more imminent) may have an adverse effect on the market price of the Preferred Securities. Under such circumstances, investors may not be able to sell their Preferred Securities easily or at prices comparable to other similarly-yielding instruments.

The payment of Distributions on the Preferred Securities is discretionary and subject to the satisfaction of certain conditions and may be restricted as a result of the Bank's and/or ABANCA Group's failure to meet its capital requirements and/or its MREL requirements

The Preferred Securities will accrue Distributions as defined and further described in Condition 4, but the Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution, in whole or in part, at any time it deems necessary or desirable and for any reason and without limitation thereafter.

Payments of Distributions in any fiscal year of the Bank shall be made only from the Bank's Distributable Items. The amount of the Bank's Distributable Items is affected by a number of factors, such as changes in accounting rules, regulations or the requirements and expectations of applicable regulatory authorities, the performance of the ABANCA Group's business in general, factors affecting its financial position (including capital and leverage), the economic environment in which the ABANCA Group operates and other factors beyond of the Bank's control. In addition, adjustments to earnings, as determined by the Board, may fluctuate significantly and may have a material adverse effect on Distributable Items. The Bank's future Distributable Items, and therefore the Bank's ability to make Distributions under the Preferred Securities, depend on, among others, the Bank's existing Distributable Items and its future profitability. In addition, the Bank's Distributable Items may also be adversely affected by the servicing of more senior instruments or *pari passu* instruments.

The Bank will cancel any Distribution (in whole or in part) that would otherwise be payable on any Distribution Payment Date if and to the extent that payment of such Distribution, together with any other relevant required payments or distributions, exceeds the Bank's Distributable Items. As of 31 December 2024, the Distributable Items of the Bank amounted to €2,630,582 thousand (€1,948,143 thousand as of 31 December 2023). See "*Description of Abanca—Additional Information—Distributable Items*" below.

In addition, no payment will be made in respect of the Preferred Securities (whether by way of repayment of the Liquidation Distribution, the payment of any Distribution or otherwise) if and to the extent that such payment would result in a breach of any regulatory restriction or prohibition on the payment of Additional Tier 1 Capital under Applicable Banking Regulations including, without limitation, any such restriction or prohibition relating to any Maximum Distributable Amount, under Article 48 of Law 10/2014 and the provisions implementing that Article (and any other provision of Spanish law transposing or implementing Article 141(2) of the CRD Directive), any restrictions that could be imposed as a result of the MREL- Maximum Distributable Amount under Article 16bis of Law 11/ 2015 and any provisions implementing that Article (and any other provision of Spanish law transposing or implementing Article 16a of the BRRD), or under Article 10 of the SRM Regulation, and any other restrictions contained in the Applicable Banking Regulations. See the section headed "*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*" in the Registration Document for additional information.

There are a number of factors that make the determination and application of the "Maximum Distributable Amount" particularly complex, including, among others:

- the "Maximum Distributable Amount" applies when the "combined buffer requirement" is not maintained. The "combined buffer requirement" represents the amount of capital that a financial institution is required to hold above the minimum capital requirements under "Pillar 1" and "P2R" and above its MREL requirements. However, there are several different buffers, some of which are designed to encourage countercyclical behaviour (with extra capital retained when profits are robust) and others which are designed to provide additional capital cushions for institutions whose failure would result in a significant systemic risk;
- as of 1 January 2019, the capital conservation buffer reached a fully loaded value of 2.5% of RWAs. The institution-specific countercyclical buffer and the systemic risk buffer may be applied and changed at any time, as decided by the relevant authorities. In this regard, the Bank of Spain has set the countercyclical capital buffer (the "CCB") rate for exposures located in Spain at 0.5% from the fourth quarter of 2024, to be applicable from 1 October 2025 (and it is expected to be raised to 1 per cent. from the fourth quarter of 2025, to be applicable from 1 October 2026, if cyclical systemic risk remains at a standard level) and the Bank of Portugal has set the CCB rate for exposures located in Portugal at 0.75%, to be applicable from 1 January 2026. As a result, the potential impact of the "Maximum Distributable Amount" will change over time;
- the Maximum Distributable Amount calculation could be different for the Bank on a consolidated and on an individual basis (e.g. the amount of profits referred to in CRR for the calculation of the Maximum Distributable Amount may differ in each case);

- different capital buffers could also apply on a consolidated and on an individual basis. In this regard, a capital buffer may be met on an individual basis but not on a consolidated basis;
- it is also possible that some discretionary payments may have an impact on the Maximum Distributable Amount on a consolidated basis but not on an individual basis for the Bank, and vice versa; and
- payments made earlier in the year will reduce the remaining "Maximum Distributable Amount" available for payments later in the year, and the Bank will be under no obligation to preserve any portion of the "Maximum Distributable Amount" for payments to be made later in any given year. Even if the Bank attempts to do so, there can be no assurance that it will be successful because the "Maximum Distributable Amount" at any time depends on the amount of net income earned during the course of the relevant year, which will necessarily be difficult to predict.

Whether Distributions on the Preferred Securities may be subject to a Maximum Distributable Amount as a result of a breach of the "combined buffer requirement" will depend on, among others, the applicable capital requirements, the amount of CET1 Capital and the "distributable profits" of the Bank, as applicable, which may be affected by, among other things, regulatory developments, management decisions taken by the ABANCA Group, and other such considerations similar to those discussed above in relation to the circumstances that may give rise to a Trigger Event. See risk factor "*The circumstances that can lead to a Trigger Event are unpredictable*" above.

In addition, according to Article 16 bis of Law 11/2015 (which implements Article 16a) of BRRD) and Article 10 of the SRM Regulation, any failure by the Bank to meet its "combined buffer requirement" when considered in addition to the applicable MREL Requirements could result, among other things, in the imposition of restrictions or prohibitions on discretionary payments according to the MREL-Maximum Distributable Amount, including the payment of Distributions on the Preferred Securities by the Bank.

Furthermore, the Competent Authority may, in accordance with Applicable Banking Regulations, require the Bank to cancel the relevant Distribution in whole or in part.

If, as a result of any of the foregoing conditions, only part of the Distributions under the Preferred Securities may be paid, the Bank may proceed, in its sole discretion, to make such partial Distributions under the Preferred Securities.

In addition, upon the occurrence of a Trigger Event, all accrued and unpaid Distributions up to (but excluding) the applicable Write Down Date shall be cancelled. See risk factor "*Upon the occurrence of a Trigger Event, the principal amount of the Preferred Securities will be Written Down*".

Therefore, there can be no assurance that a Holder will receive payments of Distributions, in whole or in part, with respect to the Preferred Securities. Any unpaid Distributions will not be cumulative or payable at any time thereafter and, accordingly, if any Distribution (or any part thereof) in respect of the Preferred Securities is not paid as a result of a requirement or election by the Bank to cancel such Distributions, the right of the Holders to receive such Distribution (or part thereof) in respect of the relevant Distribution Period will cease and the Bank will have no obligation to pay such Distribution (or part thereof) or any interest thereon, whether or not Distributions on the Preferred Securities are paid in respect of any future Distribution Period.

No such election to cancel the payment of any Distribution (or part thereof) or non-payment of any Distribution (or part thereof) shall constitute an event of default or the occurrence of any event relating to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Bank. See risk factor "*There are no events of default and only limited remedies available under the Preferred Securities*".

Notwithstanding the applicability of any one or more of the foregoing conditions resulting in non-payment or partial payment of Distributions under the Preferred Securities, the Bank shall not be limited or restricted in any way from making any Distribution or equivalent payment in respect of any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 capital) or in respect of any other instrument ranking pari passu with the Preferred Securities by law or by its terms, to the extent permitted by law.

In conclusion, (i) the Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution, in whole or in part, at any time; (ii) payment of a Distribution shall be made only out of Distributable Items; (iii) there are certain circumstances described above related to Distributable Items and regulatory capital that will lead to the cancellation of the payment of the relevant Distribution, including, among others, any restriction or prohibition relating to any Maximum Distributable Amount or MREL- Maximum Distributable Amount (which calculation is particularly complex); (iv) the Competent Authority may also, in accordance with Applicable Banking Regulations, require the Bank to cancel the relevant Distribution in whole or in part; (v) upon the occurrence of a Trigger Event, all accrued and unpaid Distributions up to (but excluding) the applicable Write Down Date shall be cancelled; (vi) any unpaid Distribution will not be cumulative; and (vii) the cancellation of the payment of the relevant Distribution (a) shall not constitute an event of default nor the occurrence of any event relating to the insolvency of the Bank and shall not entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Bank and (b) will not limit or restrict the Bank's ability from making any Distribution or equivalent payment in respect of any instrument ranking junior to the Preferred Securities.

Additionally, in relation to the foregoing, investors should note that the Bank shall pay any additional amounts payable under Condition 12 only to the extent that such payment can be made on the same basis as the payment of a Distribution under Condition 4.

The Bank's obligations under the Preferred Securities are subordinated

The payment obligations of the Bank under the Preferred Securities constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1 of the Spanish Insolvency Law read in conjunction with Additional Provision 14.3 of Law 11/2015, and upon the insolvency of the Bank, for so long as the Preferred Securities constitute Additional Tier 1 Instruments, but subject to any other ranking that may apply as a result of any mandatory legal (or other) provisions, will rank as set forth in Condition 3. For these purposes, as of the date of this Prospectus and pursuant to Additional Provision 14.3 of Law 11/2015, the ranking of the Preferred Securities and any other subordinated obligations of the Bank may depend on whether such obligations constitute at the relevant time Additional Tier 1 Instruments or Tier 2 Instruments or constitute subordinated obligations of the Bank that do not constitute Additional Tier 1 Instruments or Tier 2 Instruments. See Condition 3 for the full provisions relating to the ranking of the Preferred Securities.

No security or guarantee of any kind whatsoever is or shall at any time be given by the Bank or any other person to secure the rights of the Holders.

Moreover, second paragraph of Article 48.7 of BRRD, as implemented in the Kingdom of Spain through Additional Provision 14.3 of Law 11/2015, clarified that if an instrument is only partly recognised as an own funds instrument, the whole instrument shall be treated in insolvency as a claim resulting from an own funds instrument and shall rank lower than any claim that does not result from an own funds instrument.

In addition, if the Bank were to be wound up or liquidated, the liquidator of the Bank would first apply the assets of the Bank to satisfy all claims of holders of unsubordinated obligations of the Bank and other creditors ranking prior to the Holders. If the Bank does not have sufficient assets to fully satisfy the claims of prior ranking creditors, the Holder's claims under the Preferred Securities will not be satisfied. Holders will share equally in any distribution of assets with the holders of any other instrument ranking *pari passu* with the Preferred Securities by law or under the terms thereof, to the extent permitted by law, if the Bank does not have sufficient funds to pay all of them in full. In such a situation, Holders could lose all or part of their investment.

There is no restriction on the amount or type of further securities or indebtedness which the Bank may issue or incur which ranks senior to, or *pari passu* with, the Preferred Securities. The incurrence of any such further indebtedness may reduce the amount recoverable by Holders on a liquidation, dissolution or winding-up of the Bank in respect of the Preferred Securities and may limit the ability of the Bank to meet its obligations in respect of the Preferred Securities, and result in a Holder losing all or some of its investment in the Preferred Securities.

Furthermore, if a Trigger Event occurs but the relevant Write Down of the Preferred Securities under the Conditions is still to be made prior to the liquidation or winding-up of the Bank, Holders will be entitled to receive out of the relevant assets of the Bank an amount of money equal to the amount that Holders would

have received on a distribution of the assets of the Bank if such Write Down had been made immediately prior to such liquidation or winding-up.

There are no events of default and only limited remedies available under the Preferred Securities

Holders have no right to require the Bank to redeem their Preferred Securities. The terms of the Preferred Securities do not provide for any events of default. The Bank is entitled to cancel the payment of any Distribution (including any additional amounts payable pursuant to Condition 12), in whole or in part, at any time and as further provided in Condition 4 and such cancellation will not constitute an event of default or similar event or entitle Holders to take any action against the Bank in respect thereof. In addition, if the Preferred Securities are not Written Down following a Trigger Event upon the liquidation or winding-up of the Bank, the claim of a Holder will be an entitlement to receive from the relevant assets an amount of money equal to that which Holders would have received on a distribution of the assets of the Bank if such reduction had taken place immediately prior to such liquidation or winding-up. See *"The payment of Distributions on the Preferred Securities is discretionary and subject to the satisfaction of certain conditions and may be restricted as a result of the Bank's and/or ABANCA Group's failure to meet its capital requirements and/or its MREL requirements"*.

If the Bank fails to make any payment when due, the only remedy available to Holders is an action for breach of contract.

The Preferred Securities are redeemable at the option of the Bank

All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank, subject to the prior consent of the Competent Authority, on any day falling in the period commencing on (and including) 19 September 2031 and ending on (and including) the First Reset Date or on any Distribution Payment Date thereafter, in each case at the Redemption Price and otherwise in accordance with Applicable Banking Regulations then in force.

Under CRR, the Competent Authority shall give its consent to, among others, redemption or repurchase of the Preferred Securities in such circumstances if one of the following conditions is met:

- (i) on or before such redemption or repurchase of the Preferred Securities, the Bank replaces the Preferred Securities with own funds instruments of an equal or higher quality on terms that are sustainable for the Bank's income capacity; or
- (ii) the Bank has demonstrated to the satisfaction of the Competent Authority that, after such redemption or repurchase, its own funds and eligible liabilities would exceed the own funds and eligible liabilities requirements set out in CRR, CRD Directive and BRRD by such margin as the Competent Authority considers necessary.

The Preferred Securities are also redeemable at the option of the Bank on or after the Closing Date, in whole but not in part, at any time, at the Redemption Price (subject to the prior consent of the Competent Authority and otherwise in accordance with Applicable Banking Regulations then in force) upon the occurrence of any of a Capital Event, a Tax Event, an Eligible Liabilities Event or a Clean-Up Call Event.

Pursuant to Article 78.4 of CRR, the permission of the Competent Authority may be given only for the redemption of the Preferred Securities during the five years following their date of issuance if, besides the above-mentioned conditions, one of the following is met:

- (i) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers the change that would cause such Capital Event to be sufficiently certain and (ii) the institution demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Preferred Securities; or
- (ii) in the case of redemption due to 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 issuance of the Preferred Securities; or
- (iii) before or at the same time of such redemption, the institution replaces the Preferred Securities with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity 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.

If a notice of redemption of the Preferred Securities is given pursuant to Condition 7 and a Trigger Event occurs prior to such redemption, the relevant notice of redemption shall be automatically cancelled and shall be of no force and effect, there shall be no redemption of the Preferred Securities on such redemption date and instead the reduction of the Outstanding Principal Amount of the Preferred Securities shall occur in accordance with Condition 6.1.

If the Bank exercises its right to redeem the Preferred Securities in accordance with Condition 7 but fails to pay the relevant Outstanding Principal Amount to redeem the Preferred Securities when due, such failure would only entitle Holders to bring a claim for breach of contract against the Bank, which, if successful, could result in damages. In such event, Distributions will continue to accrue in accordance with Condition 4 from (and including) the proposed redemption date to (but excluding) the date of actual payment of the Redemption Price.

It is not possible to predict whether or not any further changes will occur in the laws or regulations applicable in the Kingdom of Spain, Applicable Banking Regulations or, in the case of a redemption of the Preferred Securities for tax reasons, in the application or official interpretation thereof, or any of the other events referred to above, which will result in circumstances in which the Bank will be able to elect to redeem the Preferred Securities and, if so, whether the Bank will elect to exercise such option to redeem the Preferred Securities or whether any prior consent of the Competent Authority required for such redemption will be obtained. There can be no assurance that, in the event of any such early redemption, Holders will be able to reinvest the proceeds at a rate that is equal to the return on the Preferred Securities.

In the case of an early redemption of the Preferred Securities, at the option of the Bank, on any day in the period commencing on (and including) 19 September 2031 and ending on (and including) the First Reset Date or on any Distribution Payment Date thereafter, the Bank may exercise this option (subject to the prior consent of the Competent Authority) if its funding costs are lower than the Distribution Rate at which Distributions are then payable in respect of the Preferred Securities. In such circumstances, the rate at which Holders are able to reinvest the proceeds of such redemption is unlikely to be as high as, and may be significantly lower than, such Distribution Rate.

In addition, the redemption feature of the Preferred Securities is likely to limit their market value. During any period in which the Bank has the right to redeem the Preferred Securities, or in which there is a perceived increase in the likelihood that the Bank will exercise the right to redeem the Preferred Securities, the market value of the Preferred Securities is unlikely to rise substantially above the price at which they may be redeemed. This may also be the case prior to such time. Finally, a redemption below par could occur if any of a Capital Event, a Tax Event or an Eligible Liabilities Event occurs after a Write Down.

The terms of the Preferred Securities contain a waiver of set-off rights

The Conditions provide that Holders waive any right of set-off, netting or compensation against any right, claim, or liability which the Bank has, may have or may acquire, directly or indirectly, against any Holder, howsoever arising. As a result, Holders will not at any time be entitled to set-off the Bank's obligations under the Preferred Securities against any obligations owed by them to the Bank.

Holders shall be deemed to have waived, to the fullest extent permitted by applicable law, any right or claim of deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly out of or in connection with the Preferred Securities with respect to all such actual and potential rights, claims and liabilities.

Holders may therefore be required to initiate separate proceedings to recover amounts in respect of any counter claim and may receive a lower recovery in the event of a liquidation or winding-up of the Bank than if set-off, netting or compensation were permitted.

The interest rate on the Preferred Securities will be reset on each Reset Date, which may affect the market value of the Preferred Securities

The Preferred Securities will bear interest at an initial fixed interest rate from (and including) the Closing Date to (but excluding) the First Reset Date. From (and including) the First Reset Date, and on every Reset Date thereafter, the interest rate will be reset as described in Condition 4. Such reset interest rate may be

lower than the original interest rate and/or the interest rate in effect immediately prior to such Reset Date, which may affect the amount of any Distributions under the Preferred Securities and, therefore, the market value of an investment in the Preferred Securities.

Impact of interest rates and inflation on the price and yield of Preferred Securities

An investment in the Preferred Securities involves the risk that the value of the Preferred Securities may be adversely affected if inflation and/or market interest rates subsequently increase above the rate paid on the Preferred Securities. Investors should be aware that inflation and/or movements of the interest rate may adversely affect the price of the Preferred Securities and may result in losses for the Holders if they sell the Preferred Securities.

Holders are exposed to the risk of fluctuating interest rates levels. Fluctuating interest rates levels make it impossible to determine the yield of the Preferred Securities in advance.

Substitution and variation of the Preferred Securities without Holder consent

Subject to Condition 8, upon the occurrence of any of a Capital Event, a Tax Event or an Eligible Liabilities Event, instead of redeeming the Preferred Securities, the Bank may at any time, without the consent of the Holders and subject to receiving consent from the Competent Authority, either (a) substitute new preferred securities for all (but not some only) of the Preferred Securities for new preferred securities, such new preferred securities replacing the Preferred Securities or (b) modify the terms of all (but not some only) of the Preferred Securities, so that the Preferred Securities become or remain Qualifying Preferred Securities, provided that such substitution or modification does not result in terms that are materially less favourable to the interests of investors, as certified by two Authorised Signatories of ABANCA. In exercising its discretion, the Bank will have regard to the interests of investors as a class.

Although Qualifying Preferred Securities must contain terms that are not materially less favourable to the interests of investors than the original terms of the Preferred Securities, there can be no assurance that the terms of any Qualifying Preferred Securities will be viewed by the market as equally or more favourable, or that the Qualifying Preferred Securities will trade at prices that are equal to or higher than the prices at which the Preferred Securities would have traded on the basis of their original terms.

Moreover, the Bank shall have no obligation to consider the tax position of any Holders or the tax consequences to any Holder of any such substitution or variation prior to making such substitution or variation. No Holder shall be entitled to claim any indemnification or payment, whether from the Bank, or from any other person, in respect of the tax consequence to individual Holders of any such substitution or variation.

Risks relating to the 5-year Mid-Swap Rate and other "benchmarks"

The calculation of any Distributions in respect of the Preferred Securities from and including the First Reset Date are dependent upon the applicable 5-year Mid-Swap Rate as determined at the relevant time (as specified in the Conditions). Certain interest rates and indices that are considered "benchmarks" (including the 5-year Mid-Swap Rate) have been the subject of national and international regulatory guidance and proposals for reform, including the Benchmark Regulation, which applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Following the implementation of any such reforms, the manner in which benchmarks are administered may change, resulting in benchmarks performing differently than they have in the past or other consequences that cannot be predicted.

In this respect, the Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU and the UK, and, among other, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU based, to be subject to equivalent requirements), (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed), and (iii) requires benchmark administrators to publish a benchmark statement for each benchmark (or, where applicable, for each family of benchmarks) setting out the criteria and procedures used to determine the benchmark and informing users that changes

to, or the cessation of, the benchmark may have an impact on the financial contracts and financial instruments referencing the benchmark.

These reforms could have a material effect on the Preferred Securities, their value and return, particularly, if the methodology or other terms of any benchmarks, such as the 5-year Mid-Swap Rate, are changed in order to comply with new requirements. Such changes or the general increased regulatory scrutiny of benchmarks may, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark and may increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the benchmark.

If at the time of determining the Distribution Rate, a Benchmark Event (which includes, among others, the permanent discontinuance of the 5-year Mid-Swap Rate) occurs or has occurred, then the Bank shall use its reasonable endeavours to appoint an Independent Financial Adviser as soon as reasonably practicable to determine a Successor Rate or an Alternative Rate to be used in place of the 5-year Mid-Swap Rate. If the Bank is unable to appoint an Independent Financial Adviser or if the Independent Financial Adviser appointed by it fails to determine a Successor Rate or, failing that, an Alternative Rate, the Bank (after consultation with the Independent Financial Adviser, if any) may determine a Successor Rate or, failing that, an Alternative Rate. Therefore, 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.

The use of any such Successor Rate or Alternative Rate to determine a Distribution Rate will result in the Preferred Securities performing differently (which may include the payment of a lower Distribution Rate) than they would do if the 5-year Mid-Swap Rate continued to apply.

If (i) the Bank is unable to appoint an Independent Financial Adviser or if the Independent Financial Adviser appointed by it fails to determine a Successor Rate or, failing that, an Alternative Rate and the Issuer is unable or unwilling to determine the Successor Rate or Alternative Rate or (ii) in the determination of the Bank, the adoption of the Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (as applicable) could reasonably be expected to adversely affect the qualification of the Preferred Securities as Additional Tier 1 Capital of the Bank or the ABANCA Group, the Distribution Rate applicable to the next succeeding Reset Period will be equal to the Distribution Rate last determined with respect to the Preferred Securities for the immediately preceding Reset Period. If the Bank fails to make such a determination prior to the first Reset Determination Date, the Distribution Rate will be 6.125%. This may result in the effective application of a fixed interest rate to Preferred Securities that are initially designated as fixed reset securities. In addition, due to the uncertainty regarding the availability of a Successor Rate or an Alternative Rate and the involvement of an Independent Financial Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

If a Successor Rate or Alternative Rate is determined by the Independent Financial Adviser or the Issuer (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. In certain circumstances, the Adjustment Spread is the spread (which may be positive, negative or zero), amount, formula or method determined to be appropriate to reduce, to the extent reasonably practicable in the circumstances, any economic disadvantage or benefit (as the case may be) to Holders as a result of replacing the 5-year Mid-Swap Rate by the Successor Rate or the Alternative Rate (as the case may be). However, such an Adjustment Spread may not be effective to reduce the economic disadvantage to Holders or it may not be possible to determine or apply an Adjustment Spread (if an Adjustment Spread cannot be determined, a Successor Rate or Alternative Rate may nevertheless be used to determine the relevant interest rate).

Furthermore, if a Successor Rate or Alternative Rate is determined in accordance with the Conditions, the Independent Financial Adviser or the Bank (as applicable) may vary certain aspects of the Conditions as necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread without the consent or approval of 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 result in the Preferred Securities

performing differently (which may include the payment of a lower interest rate) than they would if the relevant benchmark continued to apply.

Investors should consult their own independent advisers and make their own assessment of the potential risks arising from the reforms of the Benchmark Regulation in making any investment decision with respect to the Preferred Securities.

Limitation on gross-up obligation under the Preferred Securities

The obligation of the Bank under Condition 12 to pay additional amounts in the event of any withholding or deduction for or on account of taxes, duties, assessments or governmental charges of any kind on payments of Distributions and other amounts payable does not apply to any redemption of principal. Accordingly, if any such withholding or deduction is applied, Holders of the Preferred Securities may receive less than the full amount of principal due under the Preferred Securities upon redemption, and the market value of the Preferred Securities may be adversely affected.

The Bank shall pay additional amounts only so long as the Bank has sufficient Distributable Items. Therefore, the Bank would not be required to pay any additional amounts under the terms of the Preferred Securities to the extent that it has insufficient Distributable Items.

Credit ratings may not reflect all risks associated with an investment in the Preferred Securities

The Preferred Securities are rated BB- by Fitch. Ratings may not reflect the potential impact of all risks related to structure, market, additional factors described above, and other factors that may affect the value of the Preferred Securities.

Similar ratings assigned to different types of securities do not necessarily mean the same thing and any rating assigned to the Preferred Securities does not address the likelihood that Distributions (or any additional amounts payable pursuant to Condition 12) or any other payments with respect to the Preferred Securities will be made on any particular date or at all. Credit ratings also do not address the marketability or market price of the securities.

Any change in the credit ratings assigned to the Preferred Securities may affect the market value of the Preferred Securities. Such a change may be due to, among others, a change in the methodology used by a rating agency to rate securities similar in structure to the Preferred Securities, as opposed to a reassessment of the Bank's financial strength or other factors such as conditions affecting the financial services industry generally.

In addition, rating agencies may assign unsolicited ratings to the Preferred Securities. In such circumstances, there can be no assurance that any such rating will not differ from, or be lower than, the ratings originally assigned to the Preferred Securities by Fitch. The decision to reject a rating assigned by an engaged rating agency, the delay in the publication of such rating or the assignment of an unsolicited rating by a rating agency not engaged by the Bank could adversely affect the market value and liquidity of the Preferred Securities.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal, at any time, by the assigning rating agency. Therefore, potential investors should not rely on any rating of the Preferred Securities and should make their investment decision based on considerations such as those described above. Neither ABANCA nor the ABANCA Group participates in the decision making of the rating agencies and any revision or withdrawal of a rating assigned to the Bank or any of its securities is a decision of a third party for which neither ABANCA nor the ABANCA Group assume any responsibility.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). This may result in European regulated investors selling the Preferred Securities which may impact the value of the Preferred Securities

and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to credit ratings is set out on the cover of this Prospectus.

Investors subject to regulation in the UK are subject to similar restrictions under the CRA Regulation, as it forms part of the domestic law of the UK by virtue of the EUWA (as amended, the "**UK CRA Regulation**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by non-UK credit rating agencies, credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a non-UK credit rating agency that is certified in accordance with the UK CRA Regulation. This is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of ratings issued by non-UK credit rating agencies, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

The Preferred Securities may not become or remain listed on AIAF and may be listed on any other secondary market compliant with the requirements of Law 10/2014 as may be agreed by ABANCA acting reasonably

Application has been made for the Preferred Securities to be admitted to trading on AIAF. However, there can be no assurance that the Preferred Securities will become or remain listed on AIAF. If the Issuer cannot maintain the listing on AIAF, or if it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on AIAF and application shall be made for the Preferred Securities to be admitted to trading on any other secondary market compliant with the requirements of Law 10/2014 as may be agreed by the Issuer acting reasonably. There is no assurance that the Preferred Securities will be admitted to trading on AIAF or any other secondary market compliant with the requirements of Law 10/2014, which may have adverse tax consequences for the Issuer and Holders.

Although no assurance is made as to the liquidity of the Preferred Securities as a result of listing on AIAF or any other secondary market compliant with the requirements of Law 10/2014, failure to be approved for listing of the Preferred Securities on AIAF or any such other secondary market or the delisting of the Preferred Securities from AIAF or any such other secondary market may have an adverse effect on a Holder's ability to resell Preferred Securities in the secondary market.

INFORMATION INCORPORATED BY REFERENCE

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

1. The Registration Document of ABANCA approved by the CNMV on 10 June 2025 (the "**Registration Document**"), available on ABANCA's website: <https://www.abancacorporacionbancaria.com/files/docs/2025-06-10-documento-registro-es.pdf>.
2. The supplement to the Registration Document approved by the CNMV on 7 August 2025, available on ABANCA's website: <https://www.abancacorporacionbancaria.com/files/docs/2025-08-07-suplemento-es.pdf>.

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

CONDITIONS OF THE PREFERRED SECURITIES

The following is the text of the Conditions of the Preferred Securities:

The Preferred Securities (as defined below) have been issued by ABANCA Corporación Bancaria, S.A. (the "**Bank**") on the basis of the resolutions approved at the meeting of the Board of Directors (*Consejo de Administración*) of the Bank, held on 28 July 2025 and in accordance with the First Additional Provision of Law 10/2014, of 26 June, on regulation, 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 10/2014**") and the CRR (as defined below).

1. Definitions

- 1.1 For the purposes of the Preferred Securities, the following expressions shall have the following meanings:

"5-year Mid-Swap Rate" means, in relation to a Reset Period:

- (a) the rate of the annual swap rate for euro swap transactions with a maturity of five years, expressed as a percentage, which appears on the relevant Screen Page under the heading "EURIBOR BASIS – EUR" and above the caption "11AM FRANKFURT" as of 11:00 am (CET) on the Reset Determination Date; or
- (b) if such rate does not appear on the relevant Screen Page at such time on such Reset Determination Date, the Reset Reference Bank Rate for such Reset Period, unless a Benchmark Event has occurred, in which case the 5-year Mid-Swap Rate shall be determined pursuant to Condition 4.9;

"5-year Mid-Swap Rate Quotations" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360-day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (a) has a term of five years commencing on the relevant Reset Date; and
- (b) is in a Representative Amount,

where the floating leg (calculated on an Actual/360-day count basis) is equivalent to EURIBOR 6-month or, if not available, such other benchmark, rate and/or day count fraction as is in customary market usage in the markets for such euro interest rate swap transactions at the relevant time;

"ABANCA Group" means the Bank together with its consolidated Subsidiaries;

"Accounting Currency" means euro or such other primary currency used in the presentation of the accounts of the Bank and/or the ABANCA Group (as the context requires) from time to time;

"Accrual Date" has the meaning given to such term in Condition 4.1;

"Additional Tier 1 Capital" means additional tier 1 capital (*capital de nivel 1 adicional*) in accordance with Chapter 3 (Additional Tier 1 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or the Applicable Banking Regulations at any time, including any applicable transitional, phasing-in or similar provisions;

"Additional Tier 1 Instrument" means any instrument of the Bank qualifying as Additional Tier 1 Capital, in whole or in part;

"Adjustment Spread" means either a spread (which may be positive, 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 formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the 5-year Mid-Swap Rate 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 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 is in the customary market usage in the debt capital markets for transactions which reference the 5-year Mid-Swap Rate, 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 is made), 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 is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the 5-year Mid-Swap Rate, 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 5-year Mid-Swap Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**AIAF**" means the Spanish AIAF Fixed Income Securities Market (*AIAF Mercado de Renta Fija, S.A.*);

"**Alternative Rate**" means an alternative benchmark or screen rate which 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, as applicable, determines in accordance with Condition 4.9(b) 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) in euro;

"**Amounts Due**" means the Outstanding Principal Amount or other amounts, including additional amounts, if any, due on the Preferred Securities under Condition 12 (*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 Bank and/or the ABANCA Group, including, without limitation to the generality of the foregoing, CRD, the BRRD, the SRM Regulation and those regulations, requirements, guidelines and policies of the Competent 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 Bank 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, the BRRD and those laws, regulations and requirements, guidelines and policies of the Relevant Resolution Authority giving effect to the MREL, in each case to the extent then in effect in the Kingdom of 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 Bank and/or the Group) (in all cases, as amended from time to time);

"Authorised Signatories" means any authorised officer of the Bank;

"Bank" has the meaning given to such term in the introductory paragraph;

"Bank's Certificate" means a certificate signed by two Authorised Signatories of the Bank stating that, in the opinion of the Bank, the changes determined pursuant to a substitution or variation of the Preferred Securities under Condition 8 will result in the Qualifying Preferred Securities having terms not materially less favourable to the interests of investors than the terms of the Preferred Securities on issue;

"Benchmark Amendments" has the meaning given to it in Condition 4.9(d);

"Benchmark Event" means:

- (a) the 5-year Mid-Swap Rate ceasing to be published for a period of at least 5 consecutive Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the 5-year Mid-Swap Rate that it has ceased, or will, by a specified future date (a **"Specified Future Date"**), cease publishing the 5-year Mid-Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5-year Mid-Swap Rate); or
- (c) a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate, that the 5-year Mid-Swap Rate has been or will, by a Specified Future Date, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate that means the 5-year Mid-Swap Rate 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 Preferred Securities, in each case by a Specified Future Date; or
- (e) a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate that, in the view of such supervisor, the 5-year Mid-Swap Rate is (or is or will be deemed by such supervisor to be by a Specified Future Date) no longer representative of an underlying market; or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Bank or other party to calculate any payments due to be made to any Holder using the 5-year Mid-Swap Rate (including, without limitation, under the Benchmark 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;

"Benchmark 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 or replaced from time to time, as implemented into Spanish law by Law 11/2015 and Royal Decree 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions;

"Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in A Coruña, Madrid and London;

"Capital Event" means, at any time on or after the Closing Date, a change (or any pending change which the Competent Authority considers sufficiently certain) in the regulatory classification of the Preferred Securities that results (or would be likely to result) in:

- (a) the exclusion of all or part of the aggregate Outstanding Principal Amount of the Preferred Securities from the Additional Tier 1 Capital of the Bank 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 aggregate Outstanding Principal Amount of the Preferred Securities as a lower quality form of own funds of the Bank 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 to such term in Condition 2.3;

"CET" means Central European Time;

"CET1 Capital" means common equity tier 1 capital (*capital de nivel 1 ordinario*) in accordance with Chapter 2 (Common Equity Tier 1 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at any time, including any applicable transitional, phasing-in or similar provisions;

"CET1 ratio" means with respect to the Bank or the ABANCA Group, as the case may be, the ratio (expressed as a percentage) of the aggregate amount (in the Accounting Currency) of the CET1 Capital of the Bank or the ABANCA Group, respectively, at such time, divided by the Risk-Weighted Assets Amount of the Bank or the ABANCA Group, respectively, at such time, as calculated by the Bank, at any time in accordance with Applicable Banking Regulations;

"Chairperson" has the meaning given to such term in Condition 11.4;

"Clean-Up Call Event" means that 75% or any higher percentage of the Preferred Securities has been redeemed or repurchased by, or on behalf of, the Bank;

"Clearstream Luxembourg" has the meaning given to such term in Condition 2.2;

"Closing Date" means 19 September 2025;

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

"Code" has the meaning given to such term in Condition 12.2;

"Competent Authority" means, as applicable, the European Central Bank or the Bank of Spain, or such other governmental authority having primary bank supervisory authority with respect to prudential oversight and supervision in relation to the Bank and/or the ABANCA Group, as applicable, and the Relevant Resolution Authority;

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

"CRD 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 or replaced from time to time;

"CRD Implementing Measures" means any regulatory capital rules implementing the CRD 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 Bank (on a standalone basis) or the ABANCA Group (on a consolidated basis), as applicable, including, without limitation, Law 10/2014, Royal Decree 84/2015, and any other regulation, circular or guidelines implementing CRD;

"**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 or replaced from time to time;

"**Distributable Items**" means, in respect of the payment of a Distribution at any time, those profits and reserves (if any) of the Bank that are available in accordance with Applicable Banking Regulations for the payment of that Distribution at such time.

As of the Closing Date, CRR defines "distributable items" as the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments (excluding for avoidance of doubt any Tier 2 instruments) less any losses brought forward, any profits which are non-distributable pursuant to European Union or national law or the institution's bylaws and any sums placed in non-distributable reserves in accordance with national law or the statutes of the institution, in each case with respect to the specific category of own funds instruments to which European Union or national law, institution's by-laws or statutes relates; such profits, losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts.

"**Distribution**" means the non-cumulative cash distribution in respect of the Preferred Securities and a Distribution Period determined in accordance with Condition 4;

"**Distribution Payment Date**" means each of 19 March, 19 June, 19 September and 19 December, in each year, with the first Distribution Payment Date falling on 19 December 2025;

"**Distribution Period**" means the period from and including one Distribution Payment Date (or, in the case of the first Distribution Period, the Closing Date) to but excluding the next (or first) Distribution Payment Date;

"**Distribution Rate**" means the rate at which the Preferred Securities accrue Distributions in accordance with Condition 4;

"**Eligible Liabilities Event**" means, at any time on or after the Closing Date, a change in, or amendment in Spanish law or the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) or of any change in the official application or interpretation thereof, which change or amendment was not foreseeable at the time of issuance of the Preferred Securities, that results in all or part of the aggregate Outstanding Principal Amount of the Preferred Securities not fully qualifying to comply with MREL Requirements of the Bank and/or the Group, except where the non-qualification is due to the relevant Preferred Securities being bought back by or on behalf of the Bank;

"**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 Preferred Securities held by or for the benefit, or on behalf, of the Bank or any of its Subsidiaries;

"**EUR**", "**€**" and "**euro**" mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

"**EURIBOR 6-month**" means:

- (a) the rate for deposits in euro for a six-month period which appears on the relevant Screen Page as of 11:00 am (CET) on the Reset Determination Date for the relevant Reset Period; or

- (b) if such rate does not appear on the relevant Screen Page at such time on such Reset Determination Date, the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates at which deposits in euros are offered by four major banks in the Eurozone interbank market, as selected by the Bank, at such time on such Reset Determination Date to prime banks in the Eurozone interbank market for a six-month period commencing on such Reset Date in a Representative Amount, with the Bank to request the principal Eurozone office of each such major bank to provide a quotation of its rate;

"**Euroclear**" has the meaning given to such term in Condition 2.2;

"**Extraordinary Resolution**" has the meaning given to such term in Condition 11.9(b);

"**FATCA**" has the meaning given to such term in Condition 12.2;

"**FATCA Withholding Tax**" has the meaning given to such term in Condition 12.2;

"**First Reset Date**" means 19 March 2032;

"**FROB**" means the Spanish executive resolution authority;

"**Full Loss Absorbing Instruments**" has the meaning given to such term in Condition 6.1(c);

"**Holders**" means the holders of the Preferred Securities in the terms provided in Condition 2.3;

"**Iberclear**" means the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal*, the Spanish central securities depository, which manages the Spanish Central Registry and the Spanish clearing and settlement system;

"**Iberclear Members**" means the participating entities (*entidades participantes*) in Iberclear;

"**Independent Financial Adviser**" means an independent financial firm or financial adviser with appropriate expertise or financial institution of international repute appointed by the Bank at its own expense;

"**Initial Margin**" means 3.885% per annum;

"**Kingdom of Spain**" has the meaning given to such term in Condition 12 (*Taxation*);

"**Law 10/2014**" has the meaning given to such term in the introductory paragraph;

"**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;

"**Liquidation Distribution**" means the Outstanding Principal Amount per Preferred Security plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in Condition 4, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date of payment of the Liquidation Distribution;

"**Loss Absorbing Instruments**" means, at any time, any instrument (other than the Preferred Securities) issued directly or indirectly by the Bank or, as applicable, any member of the ABANCA Group, which qualifies as Additional Tier 1 Capital of the Bank or the ABANCA Group, as applicable, and has terms pursuant to which all or some of its principal amount may be written down (whether on a permanent or a temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of a trigger event set by reference to the CET1 ratio of the Bank and/or the ABANCA Group falling below a specific threshold;

"**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 the Kingdom of

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 replaced 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), including the Preferred Securities, 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).

Accordingly, the exercise of the Loss Absorbing Power by the Relevant Resolution Authority 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 Bank 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 Preferred Securities, in which case the Holder agrees to accept in lieu of its rights under the Preferred Securities any such shares, other securities or other obligations of the Bank or another person;
- (c) the cancellation of the Preferred Securities or Amounts Due;
- (d) the amendment or alteration of the maturity of the Preferred Securities or amendment of the amount of interest payable on the Preferred Securities, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (e) the amendment of the terms of the Preferred Securities;

"Loss Absorbing Written Down Instruments" means, at any time, any instrument (other than the Preferred Securities) issued directly or indirectly by the Bank or, as applicable, any member of the ABANCA Group, which qualifies as Additional Tier 1 Capital of the Bank or the ABANCA Group, as applicable, and which, immediately prior to the relevant Write Up, has a prevailing principal amount lower than the principal amount that it was originally issued with due to such principal amount having been written down on a temporary basis pursuant to its conditions;

"Maximum Distributable Amount" means, at any time, any maximum distributable amount required to be calculated, if applicable, at such time in accordance with Article 48 of Law 10/2014 (and any provision developing such Article), Article 16bis of Law 11/2015 (and any provision developing such Article) and any other provision of Spanish law transposing or implementing Article 141 of the CRD Directive and Article 16a of BRRD, respectively, Article 10a of the SRM Regulation and/or Applicable Banking Regulations;

"Maximum Write Up Amount" means the lowest of:

- (a) the Net Profit of the Bank multiplied by the amount obtained by dividing (i) the sum of the aggregate Original Principal Amount of the Preferred Securities and the aggregate initial principal amount of all Loss Absorbing Written Down Instruments of the Bank and (ii) the total Tier 1 Capital of the Bank as of the Write Up Date; and
- (b) the Net Profit of the ABANCA Group multiplied by the amount obtained by dividing (i) the sum of the aggregate Original Principal Amount of the Preferred Securities and the aggregate initial principal amount of all Loss Absorbing Written Down Instruments of the ABANCA Group and (ii) the total Tier 1 Capital of the ABANCA Group as of the Write Up Date;

"MREL" means the "minimum requirement for own funds and eligible liabilities" for credit institutions under the BRRD, set in accordance with Article 45 *et seq.* of the BRRD (as transposed in the Kingdom of Spain), the CRR, 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 (as amended), or any successor requirement under European Union legislation and relevant implementing legislation and regulation in the Kingdom of Spain;

"MREL-Maximum Distributable Amount" means, at any time, the maximum distributable amount relating to the Group required to be calculated, if applicable, at such time in accordance with: (a) Article 16 bis of Law 11/2015 and any provision developing such Article, and any other provision of Spanish law transposing or implementing Article 16a of BRRD; (b) Article 10a of the SRM Regulation and/or (c) Applicable Banking Regulations;

"MREL Requirements" means the minimum requirement for own funds and eligible liabilities applicable at the Group level under Applicable MREL Regulations;

"Net Income" means, at any time, (i) with respect to the Bank, the non-consolidated net profit (excluding minority interests) of the Bank; and (ii) with respect to the ABANCA Group, the consolidated net profit (excluding minority interests) of the ABANCA Group, as calculated and set out in the most recent published audited annual accounts of the Bank and/or the ABANCA Group, as approved by the Bank;

"Original Principal Amount" means, in respect of each Preferred Security, the principal amount of such Preferred Security as issued on the Closing Date, not taking into account any Write Down or any other write down or cancellation or any subsequent Write Up;

"outstanding" means, in relation to the Preferred Securities, all the Preferred Securities issued other than those Preferred Securities (a) that have been redeemed pursuant to Condition 7 or otherwise pursuant to the Conditions; (b) that have been purchased and cancelled under Condition 9; or (c) that have become void or in respect of which claims have prescribed under Condition 14,

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 Preferred Securities are for the time being outstanding for the purposes of Condition 11,

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

"Outstanding Principal Amount" means, in respect of each Preferred Security, at any time, the Original Principal Amount of such Preferred Security as reduced from time to time by any Write Down or any other write down or cancellation, as the case may be, and, if applicable, as subsequently increased from time to time by any Write Up in accordance with Condition 6.2;

"Preferred Securities" means the €500,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities issued by the Bank on the Closing Date;

"Qualifying Preferred Securities" means preferred securities issued directly or indirectly by the Bank where such securities:

- (a) have terms not materially less favourable to the interests of investors than the terms of the Preferred Securities, provided that the Bank shall have obtained a Bank's Certificate (copies of it will be available at the Bank's specified office during its normal business hours) at least 15 Business Days prior to the issue or, as appropriate, variation of the relevant securities; and
- (b) subject to (a) above, shall (1) rank at least equal to the ranking of the Preferred Securities; (2) have the same currency, the same (or higher) Distribution Rates and the same Distribution Payment Dates as those from time to time applying to the Preferred Securities; (3) have the same redemption rights as the Preferred Securities, provided that (if and only to the extent required in order for the Preferred Securities to qualify, or

to continue to qualify, as Additional Tier 1 Capital of either the Bank or the ABANCA Group pursuant to the Applicable Banking Regulations) the optional redemption rights provided in Condition 7.2 may be disappplied or postponed; (4) comply with the then current requirements of Applicable Banking Regulations in relation to Additional Tier 1 Capital and with the then current MREL Requirements of the ABANCA Group; (5) preserve any existing rights under the Preferred Securities to any accrued Distribution which has not been paid in respect of the period from (and including) the Distribution Payment Date immediately preceding the date of substitution or variation, subject to Condition 4; (6) are assigned (or maintain) at least the same solicited credit ratings as the solicited credit ratings that were assigned to the Preferred Securities immediately prior to such variation or substitution, and (7) shall not at such time be subject to a Capital Event, a Tax Event or an Eligible Liabilities Event; and

- (c) are (i) listed and admitted to trading on AIAF or (ii) listed on a Recognised Stock Exchange, if the Preferred Securities were listed immediately prior to such variation or substitution.

For the avoidance of doubt, any variation in the ranking of the Preferred Securities as set out in Condition 3 resulting from any such substitution or variation shall be deemed not to be materially less favourable to the interests of investors where the ranking of such Preferred Securities following such substitution or variation is at least the same ranking as is applicable to the Preferred Securities under Condition 3 on the Closing Date of the Preferred Securities;

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

"Redemption Price" means, per Preferred Security, the Liquidation Distribution upon the date fixed for redemption of the Preferred Securities;

"Reference Banks" means five leading swap dealers in the Eurozone interbank market as selected by the Bank;

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

"Relevant Date" has the meaning given to such term in Condition 12 (*Taxation*);

"Relevant Nominating Body" means, in respect of a benchmark or a 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 FROB, the Single Resolution Board, the Bank of Spain, the CNMV or any other entity with the authority to exercise any Loss Absorbing Power that performs the role of primary bank resolution authority;

"Representative Amount" means 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;

"Reset Date" means the First Reset Date and every fifth anniversary thereof;

"Reset Determination Date" means, in relation to each Reset Date, the second TARGET Business Day immediately preceding such Reset Date;

"Reset Period" means the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

"Reset Reference Bank Rate" means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the percentage determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11:00 am (CET) on such Reset Determination Date. The Bank will request the principal offices of each of the Reference Banks to provide a quotation of its rate. If three or more quotations are provided, the Reset Reference Bank Rate for such Reset Period will be the percentage reflecting the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate for the Reset Period will be:

- (a) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Period; or
- (b) in the case of the Reset Period commencing on the First Reset Date, 2.274% per annum;

"Risk-Weighted Assets Amount" means, at any time, the aggregate amount (in the Accounting Currency) of the risk-weighted assets of the Bank or the ABANCA Group, as applicable, calculated in accordance with the CRR and/or Applicable Banking Regulations at such time;

"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;

"Screen Page" means the display page on the relevant Reuters information service designated as:

- (a) in the case of the 5-year Mid-Swap Rate, the "ICAPEURO" page; or
- (b) in the case of EURIBOR 6-month, the "EURIBOR01" page;

or in each case such other page as may replace that page on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the 5-year Mid-Swap Rate or EURIBOR 6-month, as applicable;

"Spanish Central Registry" has the meaning given in Condition 2.2;

"Spanish 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*), as amended or replaced from time to time;

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

"SSM Regulation" means Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, as amended or replaced from time to time;

"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 5-year Mid-Swap Rate which is formally recommended by any Relevant Nominating Body;

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

"TARGET Business Day" means any day on which T2 is open for settlement of payments;

"Tax Event" means, at any time on or after the Closing Date, a change in, or amendment to, the laws or regulations of the Kingdom of Spain (including, for the avoidance of doubt, any political subdivision thereof or any authority or agency therein or thereof having power to tax), or any change in the official application or interpretation of such laws or regulations that results in:

- (a) the Bank not being entitled to claim a deduction in computing taxation liabilities in the Kingdom of Spain in respect of any Distribution to be made on the next Distribution Payment Date or the value of such deduction to the Bank being materially reduced; or
- (b) the Bank being obliged to pay additional amounts pursuant to Condition 12 (Taxation) below; or
- (c) the applicable tax treatment of the Preferred Securities being materially affected,

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

"Tier 1 Capital" means tier 1 capital (*capital de nivel 1*) in accordance with Chapters 1, 2 and 3 (Tier 1 Capital, Common Equity Tier 1 Capital and Additional Tier 1 Capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or the Applicable Banking Regulations at any time, including any applicable transitional, phasing-in or similar provisions;

"Tier 2 Capital" means the tier 2 capital (*capital de nivel 2*) in accordance with Chapter 4 (Tier 2 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at such time, including any applicable transitional, phasing-in or similar provisions;

"Tier 2 Instrument" means any instrument of the Bank qualifying as Tier 2 Capital, in whole or in part;

"Trigger Event" means if, at any time, as determined by the Bank or the Competent Authority (or any other agent appointed for such purpose by the Competent Authority), the CET1 ratio of any of the Bank and/or the ABANCA Group is less than 5.125%;

"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 Preferred Security;

"**Write Down**" and "**Written Down**" have the meanings given to such terms in Condition 6.1(a);

"**Write Down Amount**" means, on any Write Down Date, the amount by which the then Outstanding Principal Amount of each Preferred Security is to be Written Down on such date, being (save as may otherwise be required by the Applicable Banking Regulations) the lower of (i) and (ii) below:

- (i) the amount per Preferred Security which is determined by the Bank to be necessary (in conjunction with (a) the concurrent Write Down of the other Preferred Securities; and (b) the concurrent (or substantially concurrent) write down or conversion into equity of, or other loss absorption measures taken in respect of, any other Loss Absorbing Instruments, in each case in the manner and to the extent provided in Condition 6.1(b)) to restore the CET1 ratio of each of the Bank or the ABANCA Group, as applicable, to at least 5.125%; and
- (ii) the amount necessary to reduce the Outstanding Principal Amount of each Preferred Security to one cent (€0.01).

The Outstanding Principal Amount of a Preferred Security shall not at any time be reduced below one cent (€0.01) as a result of a Write Down;

"**Write Down Date**" means the date on which a Write Down will take effect;

"**Write Down Notice**" means the notice to the Holders in accordance with Condition 13 (*Notices*) stating:

- (i) that a Trigger Event has occurred;
- (ii) the Write Down Date; and
- (iii) if then determined, the principal amount (expressed per Original Principal Amount or as a percentage) by which each Preferred Security will be Written Down on the Write Down Date.

If the Write Down Amount has not been determined when the Write Down Notice is given, the Bank shall, as soon as reasonably practicable following such determination, notify Holders of the Write Down Amount in accordance with Condition 13;

"**Write Up**" has the meaning given to such term in Condition 6.2(a); and

"**Write Up Date**" means the date on which a Write Up will take effect.

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

2. **Form, Denomination and Title**

- 2.1 The Preferred Securities have been issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in euro in an aggregate nominal amount of €500,000,000 and Original Principal Amount of €200,000.
- 2.2 The Preferred Securities have been registered with Iberclear as managing entity of the central registry of the Spanish clearance and settlement system (the "**Spanish Central Registry**"). Holders of a beneficial interest in the Preferred Securities who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Preferred Securities through bridge accounts maintained by each of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream Luxembourg**") with Iberclear.

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

The Spanish National Numbering Agency (*Agencia Nacional de Codificación de Valores Mobiliarios*) has assigned the following International Securities Identification Number (ISIN) to identify the Preferred Securities: ES0865936035. The Common Code for this issue is 318241384.

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

One or more certificates (each a "**Certificate**") attesting to the relevant Holder's holding of Preferred Securities in the relevant registry will be delivered by the relevant Iberclear Member or 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 Preferred Securities have been issued without any restrictions on their transferability. Consequently, the Preferred Securities may be transferred and title to the Preferred Securities may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Holder will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Preferred Securities 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.

3. Status of the Preferred Securities

The payment obligations of the Bank under the Preferred Securities constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1 of the Spanish Insolvency Law and, in accordance 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), upon the insolvency (*concurso*) of the Bank, for so long as the Preferred Securities constitute Additional Tier 1 Instruments, rank:

- (a) *pari passu* among themselves and with:
 - (i) any other subordinated obligations (*créditos subordinados*) of the Bank under Additional Tier 1 Instruments; and
 - (ii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank *pari passu* with the Bank's obligations under the Preferred Securities;
- (b) *junior* to:
 - (i) any unsubordinated obligations (*créditos ordinarios*) of the Bank;
 - (ii) any subordinated obligations (*créditos subordinados*) of the Bank under Tier 2 Instruments; and

- (iii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Bank's obligations under the Preferred Securities; and
- (c) senior to:
 - (i) any claims for the liquidation amount of the ordinary shares of the Bank; and
 - (ii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the Bank's obligations under the Preferred Securities.

The payment obligations of the Bank under the Preferred Securities 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 the Kingdom of Spain. The Preferred Securities are not subject to any set-off or netting arrangements that would undermine their capacity to absorb losses in resolution. The Preferred Securities are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Preferred Securities.

4. Distributions

4.1 The Preferred Securities accrue Distributions on their Outstanding Principal Amount:

- (a) in respect of the period from (and including) the Closing Date to (but excluding) the First Reset Date at the rate of 6.125% per annum; and
- (b) in respect of each Reset Period, at the rate per annum equal to the aggregate of the Initial Margin and the 5-year Mid-Swap Rate (quoted on an annual basis) for such Reset Period, first calculated on an annual basis and then converted to a quarterly rate in accordance with market convention (rounded to four decimal places, with 0.00005 rounded down), all as determined by the Bank on the relevant Reset Determination Date.

Subject as provided in Conditions 4.3 and 4.4, such Distributions will be payable quarterly in arrear on each Distribution Payment Date.

If a Distribution is required to be paid in respect of a Preferred Security on any other date (other than as a result of the postponement of such payment as a result of the operation of Condition 4.2), it shall be calculated by the Bank by applying the Distribution Rate to the Outstanding Principal Amount in respect of each Preferred Security, multiplying the product by (i) the actual number of days in the period from (and including) the date from which Distributions began to accrue (the "**Accrual Date**") to (but excluding) the date on which Distributions fall due divided by (ii) the actual number of days from (and including) the Accrual Date to (but excluding) the next following Distribution Payment Date multiplied by four, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

4.2 Subject to any applicable fiscal or other laws and regulations, the payment of Distributions on the Preferred Securities will be made in euros by the Bank on the relevant Distribution Payment Date by transfer to an account capable of receiving euro payments, 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 date on which the payment of Distributions 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 Preferred Securities. The Bank will have no responsibility or liability for the records relating to payments made in respect of the Preferred Securities.

If any date on which any payment is due to be made on the Preferred Securities would otherwise fall on a date which is not a TARGET Business Day, the payment will be postponed to the next TARGET Business Day and the Holder shall not be entitled to any interest or other payment in respect of any such delay.

- 4.3 The Bank may elect, at its sole and absolute discretion, to cancel the payment of any Distribution (including any additional amounts pursuant to Condition 12) in whole or in part at any time that it deems necessary or desirable and for any reason.
- 4.4 Without prejudice to the right of the Bank to cancel the payments of any Distribution under Condition 4.3 above:
- (a) Payments of Distributions (including any additional amounts pursuant to Condition 12) in any financial year of the Bank shall be made only to the extent the Bank has sufficient Distributable Items. To the extent that the Bank has insufficient Distributable Items to make Distributions (including any additional amounts pursuant to Condition 12) on the Preferred Securities scheduled for payment in the then current financial year and any interest payments, distributions or other payments on own funds items that have been paid or made or are scheduled or required to be paid out of or conditional to sufficient Distributable Items in the then current financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Bank or which are not required to be made conditional upon Distributable Items, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 12) on the Preferred Securities.
 - (b) If the Competent Authority, in accordance with Article 68 of Law 10/2014 and/or Article 16 of the SSM Regulation and/or with Applicable Banking Regulations, requires the Bank to cancel a relevant Distribution (including any additional amounts pursuant to Condition 12) in whole or in part, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 12) on the Preferred Securities.
 - (c) The Bank may make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 12) on the Preferred Securities if and to the extent that (i) payment of any Distribution (including any additional amounts pursuant to Condition 12) would cause, when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD Directive (or, as the case may be, any provision of Spanish law transposing or implementing CRD, which will include Article 48 of Law 10/2014 and any of its development provisions) the Maximum Distributable Amount to be exceeded; (ii) payment of any Distribution was prohibited, limited or suspended by the Relevant Resolution Authority in accordance with Article 10a of the SRM Regulation and/or Article 16a of BRRD (or, as the case may be, any provision of Spanish law transposing or implementing BRRD, which will include Article 16bis of Law 11/2015 and any of its development provisions) due to such payment exceeding the MREL-Maximum Distributable Amount; or (iii) otherwise would cause any other breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital pursuant to Applicable Banking Regulations.
 - (d) If a Trigger Event occurs at any time on or after the Closing Date, any accrued and unpaid Distributions up to (but excluding) the corresponding Write Down Date (whether or not such distributions have become due for payment) shall be automatically cancelled in accordance with Condition 6.1(a)(iii).
- 4.5 Distributions on the Preferred Securities will be non-cumulative. Accordingly, if any Distribution (or part thereof) is not made in respect of the Preferred Securities as a result of any election of the Bank to cancel such Distribution pursuant to Condition 4.3 above or the limitations on payment set out in Condition 4.4 above and Condition 6.1(a)(iii) below then the right of the Holders to receive the relevant Distribution (or part thereof) in respect of the relevant Distribution Period will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof) accrued for such Distribution Period or to pay any interest thereon, whether or not Distributions on the Preferred Securities are paid in respect of any future Distribution Period.

- 4.6 No such election to cancel the payment of any Distribution (or part thereof) pursuant to Condition 4.3 above or non-payment of any Distribution (or part thereof) as a result of the limitations on payment set out in Condition 4.4 above and Condition 6.1(a)(iii) below will constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation, dissolution or winding-up of the Bank or in any way limit or restrict the Bank from making any distribution or equivalent payment in connection with any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 Capital) or in respect of any other instrument ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities. If the Bank does not pay a Distribution or part thereof on the relevant Distribution Payment Date, such non-payment shall evidence the cancellation of such Distribution (or relevant part thereof) or, as appropriate, the Bank's exercise of its discretion to cancel such Distribution (or relevant part thereof) and accordingly, such Distribution shall not in any such case be due and payable. Notwithstanding the previous sentence, the Bank will give notice to the Holders in accordance with Condition 13 of any election under Condition 4.3 and of any limitation set out in Condition 4.4 occurring or applying and for avoidance of doubt, failure to deliver such notice shall not affect the validity of the cancellation.
- 4.7 The Bank will at, or as soon as practicable after, the relevant time on each Reset Determination Date at which the Distribution Rate is to be determined, determine the Distribution Rate for the relevant Reset Period. The Bank will cause the Distribution Rate for each Reset Period to be notified to any stock exchange or other relevant authority on which the Preferred Securities are for the time being listed or by which they have been admitted to listing and notice thereof is to be published in accordance with Condition 13 as soon as possible after its determination but in no event later than the fourth Business Day thereafter.
- 4.8 All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Bank, shall (in the absence of wilful default, bad faith or manifest error) be binding on all Holders.
- 4.9 Benchmark discontinuation
- (a) Independent Financial Adviser
- If at the time of determination of the Distribution Rate, a Benchmark Event occurs or has occurred and is continuing, then the Bank 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 (in accordance with Condition 4.9(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.9(c)) and any Benchmark Amendments (in accordance with Condition 4.9(d)).
- If the Bank (i) 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 this Condition 4.9(a) prior to the relevant Reset Determination Date, the Bank (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.
- If the Bank is unable or unwilling to determine a Successor Rate or an Alternative Rate prior to the relevant Reset Determination Date, the Distribution Rate applicable to the next succeeding Reset Period shall be equal to the Distribution Rate last determined in relation to the Preferred Securities in respect of the immediately preceding Reset Period. If the Bank fails to make such a determination prior to the first Reset Determination Date, the Distribution Rate shall be 6.125%. For the avoidance of doubt, this Condition 4.9(a) shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and adjustments as provided in, this Condition 4.9(a).

(b) Successor Rate or Alternative Rate

If 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 that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.9(c)) subsequently be used in place of the 5-year Mid-Swap Rate to determine the Distribution Rate (or the relevant component part thereof) for all future Distributions (subject to the operation of this Condition 4.9); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.9(c)) subsequently be used in place of the 5-year Mid-Swap Rate to determine the Distribution Rate (or the relevant component part thereof) for all future Distributions (subject to the operation of this Condition 4.9).

(c) Adjustment Spread

If 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 (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).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate and/or Adjustment Spread is determined in accordance with this Condition 4.9 and 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 (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Bank shall, subject to giving notice thereof in accordance with Condition 4.9(e), without any requirement for consent or approval of the Holders, vary these Conditions to give effect to such Benchmark Amendments with the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.9(d), the Bank shall comply with the rules of any stock exchange on which the Preferred Securities are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.9 will be notified promptly by the Bank to the Holders in accordance with Condition 13. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will be binding on the Bank and the Holders.

(f) Survival of 5-year Mid-Swap Rate

Without prejudice to the obligations of the Bank under this Condition 4.9, the 5-year Mid-Swap Rate and the fallback provisions otherwise provided for in these Conditions will continue to apply unless and until a Benchmark Event has occurred.

Notwithstanding any other provision of this Condition 4.9, no Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (as applicable) will be adopted, if and to

the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Preferred Securities as Additional Tier 1 Capital of the Bank or the ABANCA Group.

5. Liquidation Distribution

- 5.1 Subject as provided in Condition 5.2 below, in the event of any voluntary or involuntary liquidation or winding-up (*liquidación*) of the Bank, the Preferred Securities will confer an entitlement to receive, out of the assets of the Bank available for distribution to Holders, the Liquidation Distribution. Such entitlement will arise before any distribution of assets is made to holders of ordinary shares of the Bank or any other instrument of the Bank ranking junior to the Preferred Securities.
- 5.2 If, before such liquidation or winding-up of the Bank described in Condition 5.1, a Trigger Event occurs but the relevant reduction of the Outstanding Principal Amount pursuant to Condition 6.1 below is still to take place, the entitlement conferred by the Preferred Securities for the purposes of Condition 5.1, will be an entitlement to receive out of the relevant assets of the Bank a monetary amount equal to that which Holders of such Preferred Securities would have received on any distribution of the assets of the Bank if such reduction had taken place immediately prior to such liquidation or winding-up.
- 5.3 After payment of the relevant entitlement in respect of a Preferred Security as described in Conditions 5.1 and 5.2, such Preferred Security will confer no further right or claim to any of the remaining assets of the Bank.

6. Loss Absorption following a Trigger Event and Write Up of the Preferred Securities

6.1 Loss Absorption following a Trigger Event

- (a) If a Trigger Event occurs at any time on or after the Closing Date, then the Bank will:
- (i) immediately notify the Competent Authority that a Trigger Event has occurred;
 - (ii) as soon as reasonably practicable deliver a Write Down Notice to Holders in accordance with Condition 13;
 - (iii) cancel any accrued and unpaid Distributions up to (but excluding) the Write Down Date in accordance with Condition 4.4 above; and
 - (iv) irrevocably and mandatorily (and without the need for the consent of the Holders) without delay, and by no later than one month from the occurrence of the relevant Trigger Event, reduce the then Outstanding Principal Amount of each Preferred Security by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly).

Any failure or delay by the Bank in giving the notification to the Competent Authority or the Write Down Notice to the Holders under Condition 6.1(a)(i) and Condition 6.1(a)(ii), respectively will not in any way impact on the effectiveness of, or otherwise invalidate, any Write Down, or give Holders any rights as a result of such failure or delay, and shall not constitute a default by the Bank under the Preferred Securities or for any purpose.

For the purposes of determining whether a Trigger Event has occurred, the Bank will

- (i) calculate the relevant CET1 ratio based on information (whether or not published) available to management of the Bank, including information internally reported pursuant to its procedures for ensuring effective monitoring of the capital ratios and
- (ii) publish the CET1 ratios of the Bank and the ABANCA Group on at least a quarterly basis. The Bank's calculation shall be binding on the Holders.

Holders shall have no claim against the Bank in respect of the Outstanding Principal Amount of the Preferred Securities reduced as described above or any accrued and

unpaid Distributions cancelled, in each case pursuant to the operation of the loss absorption provisions following a Trigger Event as described above.

- (b) Write Down of the Preferred Securities will be effected, save as may otherwise be required by the Competent Authority, pro rata with the concurrent (or substantially concurrent) write down or conversion into equity, as the case may be, of any Loss Absorbing Instruments (based on the prevailing principal amount of the relevant Loss Absorbing Instrument), provided that:
 - (i) with respect to each Loss Absorbing Instrument (if any), such pro rata write down or conversion shall only be taken into account to the extent required to restore the relevant CET1 ratio(s) to the lower of (a) such Loss Absorbing Instrument's trigger level and (b) 5.125% (being the level at which a Trigger Event occurs in respect of the Preferred Securities); and
 - (ii) if for any reason the Bank is unable to effect the concurrent (or substantially concurrent) write down or conversion of any given Loss Absorbing Instruments within the period required by the Competent Authority, the Preferred Securities will be Written Down notwithstanding that the relevant Loss Absorbing Instruments are not also written down or converted.

For the avoidance of doubt, to the extent that the Bank is unable to write down or convert any Loss Absorbing Instruments as aforesaid, the Write Down Amount determined in accordance with part (i) of the definition of "Write Down Amount" will be calculated on the basis that such Loss Absorbing Instruments are not available to be written down or converted, and accordingly the Write Down Amount determined in accordance with that part (i) will be higher than it would otherwise have been if such Loss Absorbing Instruments had been available to be written down or converted.

- (c) If, in connection with the Write Down or the calculation of the Write Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written down or converted into equity in full and not in part only ("**Full Loss Absorbing Instruments**") then:
 - (i) the requirement that a Write Down of the Preferred Securities shall be effected pro rata with the write down or conversion into equity, as the case may be, of any such Loss Absorbing Instruments shall not be construed as requiring the Preferred Securities to be Written Down in full (or in full save for one cent (€0.01)) simply by virtue of the fact that such Full Loss Absorbing Instruments will be written down or converted in full; and
 - (ii) for the purposes of calculating the Write Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write down of principal or conversion into equity, as the case may be, among the Preferred Securities and such other Loss Absorbing Instruments on a pro rata basis) as if their terms permitted partial write down or conversion into equity, such that the write down or conversion into equity of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (a) first, the principal amount of such Full Loss Absorbing Instruments shall be written down or converted into equity pro rata with the Preferred Securities and all other Loss Absorbing Instruments (in each case subject to and as provided in Condition 6.1(b)) to the extent necessary to restore the relevant CET1 ratio(s) to at least 5.125%; and (b) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (a) shall be written-off or converted into equity, as the case may be, with the effect of increasing the applicable CET1 ratio above the minimum required level under (a) above.
- (d) Following a reduction of the Outstanding Principal Amount of the Preferred Securities as described above, Distributions will accrue on the reduced Outstanding Principal Amount of each Preferred Security from (and including) the relevant Write Down Date,

and (for the avoidance of doubt) such Distributions will be subject to Condition 4 and Condition 6.1(a).

- (e) A Write Down may occur on one or more occasions and accordingly the Preferred Securities may be Written Down on one or more occasions (provided however, for the avoidance of doubt, that the principal amount of a Preferred Security shall not at any time be reduced to below one cent (€0.01)). Any reduction of the Outstanding Principal Amount pursuant to Condition 6.1(a) shall not constitute a default by the Bank under the Preferred Securities or for any purpose and shall not entitle Holders to petition for the liquidation, dissolution or winding-up of the Bank.

Any Write Down pursuant to this Condition 6.1 shall not in any way limit or restrict the Bank from making any distribution or equivalent payment in connection with any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 Capital) or in respect of any other instrument ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities, or other securities.

- (f) If the Outstanding Principal Amount of the Preferred Securities is Written Down to one cent (€0.01), the Preferred Securities will not be automatically cancelled.
- (g) For the purposes of any calculation in connection with a Write Down or Write Up of the Preferred Securities which necessarily requires the determination of a figure in the Accounting Currency (or in an otherwise consistent manner across obligations denominated in different currencies), including (without limitation) any determination of a Write Down Amount and/or a Maximum Write Up Amount, any relevant obligations (including the Preferred Securities) which are not denominated in the Accounting Currency shall, (for the purposes of such calculation only) be deemed notionally to be converted into the Accounting Currency at the foreign exchange rates determined, in the sole discretion of the Bank, to be applicable based on its regulatory reporting requirements under the Applicable Banking Regulations.
- (h) The Bank will conduct the relevant arrangements with Iberclear on or before the Write Down Date to complete the corresponding reduction of the Outstanding Principal Amount of the Preferred Securities.

6.2 Write Up of the Preferred Securities

- (a) Subject to compliance with the prevailing Applicable Banking Regulation, if, following a Write Down in accordance with Condition 6.1, each of the Bank and the ABANCA Group records a positive Net Profit at any time while the Outstanding Principal Amount of the Preferred Securities is less than their Original Principal Amount, the Bank may, at its full discretion, increase the Outstanding Principal Amount of each Preferred Security (such increase, a "**Write Up**") by such amount (calculated per Original Principal Amount) as the Bank may elect, provided that such Write Up shall not:
 - (i) result in the Outstanding Principal Amount of the Preferred Securities being greater than their Original Principal Amount;
 - (ii) be operated whilst a Trigger Event has occurred and is continuing;
 - (iii) result in the occurrence of a Trigger Event; or
 - (iv) result in the Maximum Write Up Amount to be exceeded when taken together with the aggregate of:
 - (a) any previous Write Up of the Preferred Securities out of the same Net Profit since the end of the then previous financial year;
 - (b) the aggregate amount of any Distribution payments on the Preferred Securities that were paid or calculated (but disregarding any Distributions cancelled) on the basis of an Outstanding Principal Amount that is lower

than the Original Principal Amount at any time after the end of the then previous financial year;

- (c) the aggregate amount of the increase in principal amount of the Loss Absorbing Written Down Instruments to be written-up out of the same Net Profit concurrently (or substantially concurrently) with the Write Up and (if applicable) any previous increase in principal amount of such Loss Absorbing Written Down Instruments out of the same Net Income since the end of the then previous financial year; and
- (d) the aggregate amount of any distribution payments on such Loss Absorbing Written Down Instruments that were paid or calculated (but disregarding any distributions cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Written Down Instruments were issued at any time after the end of the then previous financial year.

A Write Up will also not be effected in circumstances in which it would cause any Maximum Distributable Amount (if any) to be exceeded.

- (b) In the event of a Write Up in accordance with Condition 6.2(a), the Bank will give notice to Holders in accordance with Condition 13 not more than 10 Business Days following the day on which it resolves to effect such Write Up, which notice shall specify the amount of such Write Up (expressed per Original Principal Amount or as a percentage) and the Write Up Date.
- (c) Any Write Up shall be applied concurrently (or substantially concurrently) and pro rata with other write ups to be effected out of the Net Profit in respect of any Loss Absorbing Written Down Instruments.
- (d) Following a Write Up in respect of the Preferred Securities, Distributions will accrue on the increased Outstanding Principal Amount of each Preferred Security from (and including) the Write Up Date, and (for the avoidance of doubt) such Distributions will be subject to Condition 4 and Condition 6.1(a).
- (e) A Write Up may occur on one or more occasions until the Outstanding Principal Amount of the Preferred Securities has been reinstated to the Original Principal Amount. Any decision by the Bank to effect or not to effect any Write Up on any occasion shall not preclude it from effecting or not effecting any Write Up on any other occasion.

The decision of the Bank to Write Up or not the Preferred Securities will not limit or restrict the Bank from making any distribution or equivalent payment in connection with any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 Capital) or in respect of any other instrument issued by ABANCA ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities, or other securities.

- (f) A Write Up shall be operated at the sole and absolute discretion of the Bank and there shall be no obligation for the Bank to operate or accelerate a Write Up in any circumstance.
- (g) The Bank will conduct the relevant arrangement with Iberclear on or before the Write Up Date to complete the corresponding Write Up of the Outstanding Principal Amount of the Preferred Securities.

7. Optional Redemption

- 7.1 The Preferred Securities are perpetual and are only redeemable in accordance with the following provisions of this Condition 7.
- 7.2 Without prejudice to Conditions 7.3, 7.4, 7.5 and 7.6 below, the Preferred Securities shall not be redeemable prior to 19 September 2031. All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank on any day falling in the period commencing on (and including) 19 September 2031 and ending on (and including) the First Reset Date or on

any Distribution Payment Date thereafter, at the Redemption Price, subject to the prior consent of the Competent Authority in compliance with Articles 77 and 78 of CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Applicable Banking Regulations then in force.

As of the Closing Date, Article 78(1) of the CRR provides that the Competent Authority shall give its consent to a reduction, call, redemption, repayment or repurchase of the Preferred Securities provided that either of the following conditions is met:

- (a) on or before such redemption, repayment or repurchase of the Preferred Securities, the Bank replaces the Preferred Securities with own funds instruments of an equal or higher quality on terms that are sustainable for the income capacity of the Bank;
- (b) the Bank has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such redemption, repayment or repurchase, exceed the requirements laid down in the CRR, the CRD Directive and the BRRD by a margin that the Competent Authority considers necessary.

In addition, as of the Closing Date and pursuant to Article 78(4)(d) of the CRR, the Competent Authority may permit the redemption of the Preferred Securities before five years after the Closing Date if before or at the same time of redemption the Bank replaces the Preferred Securities 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 permits the action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

- 7.3 If, on or after the Closing Date, there is a Capital Event, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, at any time, subject to the prior consent of the Competent Authority in compliance with Articles 77 and 78 of CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Applicable Banking Regulations then in force, at the Redemption Price.

As of the Closing Date, Article 78(4)(a) of the CRR provides that the Competent Authority may permit the Bank to call, redeem, repay or repurchase the Preferred Securities during the five years following the Closing Date in the case of a Capital Event if, in addition to meeting one of the conditions referred to in Article 78(1) of the CRR, the Bank demonstrates to the satisfaction of the Competent Authority that the regulatory reclassification of the Preferred Securities was not reasonably foreseeable at the Closing Date.

- 7.4 If, on or after the Closing Date, there is a Tax Event, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, at any time, subject to the prior consent of the Competent Authority in compliance with Articles 77 and 78 of CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Applicable Banking Regulations then in force, at the Redemption Price.

As of the Closing Date, Article 78(4)(b) of the CRR provides that the Competent Authority may permit the Bank to call, redeem, repay or repurchase the Preferred Securities during the five years following the Closing Date in the case of a Tax Event if, in addition to meeting one of the conditions referred to in Article 78(1) of the CRR, the Bank demonstrates to the satisfaction of the Competent Authority that such Tax Event is material and was not reasonably foreseeable at the Closing Date.

- 7.5 If, on or after the Closing Date, there is an Eligible Liabilities Event, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, at any time, subject to the prior consent of the Competent Authority in compliance with Articles 77 and 78 of CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) then in force, at the Redemption Price.

- 7.6 If, on or after the Closing Date, there is a Clean-Up Call Event, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, at any time, subject to the

prior consent of the Competent Authority in accordance with Articles 77 and 78 of CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Applicable Banking Regulations then in force and unless otherwise restricted by the Applicable Banking Regulations and/or the Competent Authority, at the Redemption Price.

- 7.7 The decision to redeem the Preferred Securities must be, subject to Condition 7.8 below, irrevocably notified by the Bank to the Holders not less than 5 and not more than 60 calendar days prior to the relevant redemption date in accordance with Condition 13.

The Bank will not give notice under this Condition 7.7 unless, at least 15 calendar days prior to the publication of any notice of redemption, it will make available to the Holders at its registered office, a certificate signed by two Authorised Signatories stating that a Capital Event, a Tax Event, an Eligible Liabilities Event or a Clean-Up Call Event has occurred, or there is sufficient certainty that it will occur, as the case may be.

- 7.8 If the Bank gives notice of redemption of the Preferred Securities, then by 12:00 (CET) on the relevant redemption date, the Bank will:

- (a) irrevocably deposit sufficient funds to pay the Redemption Price; and
- (b) give irrevocable instructions and authority to pay the Redemption Price to the Holders.

- 7.9 If the notice of redemption has been given, and the funds deposited and instructions and authority to pay given as required above, then on the date of such deposit:

- (a) Distributions on the Preferred Securities shall cease;
- (b) such Preferred Securities will no longer be considered outstanding; and
- (c) the Holders will no longer have any rights as Holders except the right to receive the Redemption Price.

- 7.10 The Bank may not give a notice of redemption pursuant to this Condition 7 if a Trigger Event notice has been given. If any notice of redemption of the Preferred Securities is given pursuant to this Condition 7 and a Trigger Event occurs prior to such redemption, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, there shall be no redemption of the Preferred Securities on such redemption date and, instead, a Write Down of the principal amount of the Preferred Securities will occur as provided under Condition 6.1. The Bank shall give notice of any such automatic rescission of a redemption notice to the Holders in accordance with Condition 13 as soon as possible thereafter.

- 7.11 If either the notice of redemption has been given and the funds are not deposited as required on the date of such deposit or if the Bank improperly withholds or refuses to pay the Redemption Price of the Preferred Securities, Distributions will continue to accrue in accordance with Condition 4 above from (and including) the redemption date to (but excluding) the date of actual payment of the Redemption Price.

- 7.12 The Bank shall not be entitled to redeem the Preferred Securities pursuant to Condition 7.2 or Condition 7.6 (but this restriction shall not, for the avoidance of doubt, apply to a redemption pursuant to Conditions 7.3, 7.4 and 7.5) if, on the relevant redemption date, the Outstanding Principal Amount of the Preferred Securities is lower than their Original Principal Amount as a result of a Write Down until any principal amount by which the Preferred Securities have been Written Down pursuant to Condition 6.1 have first been reinstated in full pursuant to Condition 6.2 (and any notice of redemption which have been given in such circumstances shall be automatically rescinded and shall be of no force and effect).

8. Substitution and Variation

- 8.1 Subject to the prior consent of the Competent Authority and in accordance with Applicable Banking Regulations then in force and having given no less than 5 nor more than 60 calendar days' notice to the Holders (in accordance with Condition 13), if any of Capital Event, a Tax Event or an Eligible Liabilities Event has occurred and is continuing, the Bank may substitute

all (but not some only) of the Preferred Securities or vary the terms of all (but not some only) of the Preferred Securities, without the consent of the Holders, so that they become or remain Qualifying Preferred Securities. Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Preferred Securities. Such substitution or variation will be effected without any cost or charge to the Holders.

- 8.2 Holders shall, by virtue of subscribing and/or purchasing the Preferred Securities, be deemed to accept the substitution or variation of the terms of such Preferred Securities and to grant the Bank full power and authority to take any action and/or execute and deliver any document in the name and/or on behalf of the Holders which is necessary or convenient to complete the substitution or variation of the terms of the Preferred Securities.
- 8.3 The Bank will not give a notice of substitution or variation after a Trigger Event notice has been given. If the Bank has given a notice of substitution or variation in accordance with these Conditions but prior to such substitution or variation a Trigger Event is effective, the relevant substitution or variation notice shall be automatically rescinded and shall be of no force and effect. The Bank shall give notice thereof to the Holders in accordance with Condition 13 as soon as possible following any such automatic rescission of a substitution or variation notice.
- 8.4 In connection with any substitution or variation in accordance with this Condition 8, the Bank shall comply with the rules of any stock exchange on which the Preferred Securities are for the time being listed or admitted to trading.

9. Purchases of Preferred Securities

The Bank or any member of the ABANCA Group may purchase or otherwise acquire any of the outstanding Preferred Securities at any price in the open market or otherwise in accordance with Applicable Banking Regulations in force at the relevant time, including the applicable limits referred to in Article 78(1) of CRR, and subject to the prior consent of the Competent Authority, if required.

Any Preferred Securities so acquired by the Bank or any member of the ABANCA Group may (subject to the consent of the Competent Authority and in accordance with Applicable Banking Regulations then in place) be held, resold or, at the option of the Bank or such member of the ABANCA Group, cancelled.

10. 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 Bank 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 Preferred Security) 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 Bank in respect of, or arising under or in connection with the Preferred Securities is discharged by deduction, set-off, netting, compensation, retention or counterclaim, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Bank and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Bank and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition 10 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 Preferred Security but for this Condition 10.

11. Modification and waiver; Resolutions of Holders

11.1 Amendments

The Bank may, without the consent of the Holders, amend these Conditions in order to (a) correct any manifest error, or (b) make any amendment of a formal, minor or technical nature or to comply with mandatory provisions of law.

In addition, the Bank and the Holders, the latter with the approval of a resolution of Holders, may agree to any amendment, whether material or not, to these Conditions and any waiver of any breach or proposed breach of these Conditions, subject to the consent of the Competent Authority where such consent is required under Applicable Banking Regulations.

11.2 Convening meetings

The Bank may, at any time, and shall, if required in writing by Holders holding not less than 10% in aggregate Outstanding Principal Amount of the Preferred Securities for the time being outstanding, convene a meeting of the Holders and if the Bank fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Holders.

11.3 Procedures for convening meetings

- (a) 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 or an electronic platform), day and hour of the meeting shall be given to the Holders in the manner provided in Condition 13. The notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting and, in the case of an Extraordinary Resolution only, shall either:

- (i) specify the terms of the Extraordinary Resolution to be proposed; or
- (ii) inform Holders that the terms of the Extraordinary Resolution are available free of charge from the Bank or an agent thereof, provided that, in the case of this (ii), such resolution is so available in its final form with effect on and from the date on which the notice convening such meeting is given as aforesaid.

The notice shall:

- (i) include statements as to the manner in which Holders are entitled to attend and vote at the meeting; or
- (ii) inform Holders that details of the voting arrangements are available free of charge from the Bank or an agent thereof, provided that, in the case of this (ii) the final form of such details are available with effect on and from the date on which the notice convening such meeting is given as aforesaid.

A copy of the notice shall be sent by post to the Bank (unless the meeting is convened by the Bank).

- (b) Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 21 were replaced by 10 in Condition 11.3(a) and the notice shall state the relevant quorum. Subject to the foregoing it shall not be necessary to give any notice of an adjourned meeting.

11.4 Chairperson

The person (who may but need not be a Holder) nominated in writing by the Bank (the "**Chairperson**") shall be entitled to take the chair at each meeting 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 Bank 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.

11.5 Quorums

(a) Regular Quorum

At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 5% in Outstanding Principal Amount of the Preferred Securities 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 11.4) shall be transacted at any meeting unless the required quorum is present at the commencement of business.

(b) 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 Outstanding Principal Amount of the Preferred Securities for the time being outstanding.

(c) 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):

- (i) a reduction or cancellation of the Outstanding Principal Amount of the Preferred Securities (other than by virtue of a Write Down); or
- (ii) without prejudice to the provisions of Condition 4 (including, without limitation, the right of the Bank to cancel the payment of any Distributions on the Preferred Securities), a reduction of the amount payable or modification of the payment date in respect of any Distributions or variation of the method of calculating the Distribution Rate; or
- (iii) a modification of the currency in which payments under the Preferred Securities are to be made; or
- (iv) a modification of the majority required to pass an Extraordinary Resolution; or
- (v) the sanctioning of any scheme or proposal described in Condition 11.9(b)(vi) below; or
- (vi) alteration of this proviso or the proviso to Condition 11.6(b) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds in Outstanding Principal Amount of the Preferred Securities for the time being outstanding.

11.6 Adjourned Meeting

- (a) 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 Bank was required by Holders to convene such meeting pursuant to Condition 11.2, 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 Bank). 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 not less than 14 clear days (but without any maximum number of clear days) and to a place as may be appointed by the Chairperson (either at or after the adjourned meeting) and approved by the Bank, and the provisions of this sentence shall apply to all further adjourned meetings.

- (b) At any adjourned meeting one or more Eligible Persons present (whatever the Outstanding Principal Amount of the Preferred Securities 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 proviso to Condition 11.5(c) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in Outstanding Principal Amount of the Preferred Securities for the time being outstanding.

11.7 Right to attend and vote

- (a) The provisions governing the manner in which Holders may attend and vote at a meeting of the holders of Preferred Securities must be notified to Holders in accordance with Condition 13 and/or at the time of service of any notice convening a meeting.
- (b) Any director or officer of the Bank 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.
- (c) Subject as provided in Condition 11.7(b), at any meeting:
 - (i) on a show of hands every Eligible Person present shall have one vote; and
 - (ii) on a poll every Eligible Person present shall have one vote in respect of each Preferred Security.

11.8 Holding of meetings

- (a) 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.
- (b) 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 Bank or by any Eligible Person present (whatever the Outstanding Principal Amount of the Preferred Securities 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.
- (c) Subject to Condition 11.8(e), 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.
- (d) 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.

- (e) 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.

11.9 Approval of the resolutions

- (a) Any resolution (including an Extraordinary Resolution) (i) passed at a meeting of the Holders duly convened and held; (ii) passed as a resolution in writing or (iii) passed by way of electronic consents communicated through the electronic communications systems of Iberclear in accordance with its operating rules and procedures by or on behalf of the Holders, in accordance with the provisions of this Condition 11, shall be binding upon all the Holders whether present or not present at the meeting referred to in (i) above and whether or not voting (including when passed as a resolution in writing or by electronic consent) 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. For the validity of the electronic consents, the authenticity and traceability required by the regulations in force shall be guaranteed. Notice of the result of any resolution duly considered by the Holders shall be published in accordance with Condition 13 by the Bank within 14 days of the result being known provided that non-publication shall not invalidate the resolution.
- (b) The expression "**Extraordinary Resolution**" when used in this Condition 11 means (i) a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 11 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; or (ii) a resolution in writing signed by or on behalf of Holders of not less than 75% in nominal amount of the Preferred Securities for the time being outstanding, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the Holders; or (iii) consent given by way of electronic consents through Iberclear by or on behalf of Holders of not less than 75% in nominal amount of the Preferred Securities for the time being outstanding.

In addition to the powers set out above, a resolution of Holders shall have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to the quorum contained in Conditions 11.5(b) and 11.5(c)), namely:

- (i) power to approve any compromise or arrangement proposed to be made between the Bank and the Holders;
- (ii) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders against the Bank or against any of its property whether these rights arise under these Conditions or otherwise;
- (iii) power to agree to any modification of the provisions contained in these Conditions, including, in particular, any provision relating to the Write Down and Write Up of the Preferred Securities, which is proposed by the Bank;
- (iv) power to give any authority or approval which under the provisions of this Condition 11 is required to be given by Extraordinary Resolution;
- (v) 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; and
- (vi) power to agree with the Bank or any substitute, the substitution of any entity in place of the Bank (or any substitute) as the principal debtor in respect of the Preferred Securities.

- (c) Subject to Condition 11.9(a), a resolution (other than an Extraordinary Resolution) shall require a majority of the persons voting on the resolution, either in the case of a physical meeting (upon a show of hands or, if a poll was duly demanded, a majority of the votes given on the poll) or a resolution in writing or consent given by way of electronic consents.

11.10 Miscellaneous

- (a) 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 Bank 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.
- (b) 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.
- (c) Any modification or waiver of the Conditions in accordance with this Condition 11 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.

12. Taxation

- 12.1 All payments of Distributions and other amounts payable (excluding, for the avoidance of doubt, any repayment of principal) in respect of the Preferred Securities by or on behalf of the Bank 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 imposed or levied by or on behalf of the Kingdom of Spain 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 in respect of payments of Distributions (but not any Outstanding Principal Amount or other amount), the Bank shall (to the extent such payment can be made on the same basis as for payment of any Distribution in accordance with Condition 4 and subject to the Bank's right to cancel such payment pursuant to Condition 4) pay such additional amounts as will result in Holders receiving such amounts as they would have received in respect of such Distribution had no such withholding or deduction been required.
- 12.2 The Bank shall not be required to pay any additional amounts in relation to any payment in respect of Preferred Securities:
 - (a) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of the Preferred Securities by reason of its having some connection with the Kingdom of Spain other than:
 - (i) the mere holding of Preferred Securities; or
 - (ii) the receipt of any payment in respect of Preferred Securities;
 - (b) where taxes are imposed by the Kingdom of Spain 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 Preferred Security, of a custodian, collection agent, person or entity acting on its behalf or similar person in relation to such Preferred Security; or
 - (c) 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

- (d) to, or to a third party on behalf of, a Holder in respect of whose Preferred Securities the Bank (or an agent acting on behalf of the Bank) 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 Preferred Securities to be made free and clear of withholding tax or deduction on account of any taxes imposed by the Kingdom of Spain, including when the Bank (or an agent acting on behalf of the Bank) does not receive in a timely manner 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.

Notwithstanding any other provision of these Conditions, any amounts to be paid by the Bank on the Preferred Securities will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 to 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA (each such deduction or withholding, a "**FATCA Withholding Tax**"). For the avoidance of doubt, the Issuer shall not be required to pay any additional amounts in relation to any FATCA Withholding Tax.

For the purposes of this Condition 12:

"**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due, and is available for payment to Holders, notice to that effect is duly given to the Holders in accordance with Condition 13 below; and

"**Kingdom of Spain**" means the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax.

See "*Taxation*" for a fuller description of certain tax considerations relating to the Preferred Securities.

13. Notices

The Bank 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 Preferred Securities are for the time being listed and/or admitted to trading.

So long as the Preferred Securities are listed on AIAF, to the extent required by the applicable regulations, the Bank shall ensure that (i) the communication of all notices will be made public to the market through announcements of inside information (*información privilegiada*) or of other relevant information (*otra información relevante*), as the case may be, to be filed with the CNMV and to be published at the CNMV's official website at www.cnmv.es and (ii) all notices to the Holders will be published in the official bulletin of AIAF (*Boletín de Cotización de AIAF*). Neither the CNMV's website nor any of its contents form part or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has neither examined nor approved its website nor any of its contents for the purposes of this Prospectus.

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 Bank may approve.

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

14. Loss Absorbing Power

- 14.1 The obligations of the Bank under the Preferred Securities are subject to, and may be limited, by the exercise of any Loss Absorbing Power by the Relevant Resolution Authority.
- 14.2 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.

- 14.3 Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority with respect to the Preferred Securities, the Bank 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 Bank to deliver a notice to the Holders shall affect the validity or enforceability of the exercise of the Loss Absorbing Power.
- 14.4 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 Preferred Securities pursuant to the Loss Absorbing Power will be made on a pro-rata basis.
- 14.5 None of a cancellation of the Preferred Securities, a reduction in the Amounts Due, the conversion thereof into another security or obligation of the Bank or another person, as a result of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to the Bank or the exercise of the Loss Absorbing Power with respect to the Preferred Securities will be an event of default or otherwise constitute non-performance of a contractual obligation.

15. Prescription

To the extent that Article 950 of the Spanish Commercial Code (*Código de Comercio*) applies to the Preferred Securities, claims relating to the Preferred Securities will be extinguished unless such claims are duly made within three years of the relevant payment date.

16. Governing Law and Jurisdiction

- 16.1 The Preferred Securities and any non-contractual obligations arising out of or in connection with the Preferred Securities shall be governed by, and construed in accordance with, Spanish law (*legislación común española*).
- 16.2 Each of the Bank 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 Preferred Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Preferred Securities). Each of the Bank and any Holder in relation to any such disputes further waives any objection to the Spanish courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute.

USE OF PROCEEDS

The estimated net amount of proceeds from the issuance of the Preferred Securities amounts to €495,000,000 and will be used by ABANCA for general corporate purposes, and to further strengthen its regulatory capital, including the refinancing of existing preferred securities. Such refinancing may relate to the repurchase of some or all of the Issuer's outstanding €375,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities (ISIN ES0865936019) issued on 20 January 2021 pursuant to the tender offer announced by the Issuer on 8 September 2025, which repurchase has been authorised by the European Central Bank.

DESCRIPTION OF ABANCA

The information included in the section “Description of ABANCA” in the Registration Document is complemented with the following information:

Distributable Items

The following table sets forth the Distributable Items of ABANCA as of 31 December 2023 and 31 December 2024:

	31/12/2024	31/12/2023
	<i>(thousand (€))</i>	
Distributable items of the Bank^(*)	2,630,582	1,948,143

(*) This figure is calculated as net income for the period, plus voluntary reserves, plus share premium, minus dividends distributed during the period.

Total Capital ratio

The following table sets forth the ABANCA's and the ABANCA Group's Total Capital ratios as of 30 June 2025:

	Phased in		Fully Loaded	
	ABANCA	ABANCA Group	ABANCA	ABANCA Group
Total Capital ratio as at 30 June 2025^(*)	17.84%	17.58%	17.38%	17.18% ^(**)

(*) Phased-in Total Capital ratio of 18.21% and 17.91% of ABANCA and ABANCA Group, respectively, and fully loaded Total Capital ratio of 17.73% and 17.50% of ABANCA and ABANCA Group, respectively, after giving pro-forma effect to (i) the issue of the Preferred Securities; and (ii) the disqualification of the issuance €375,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities (ISIN ES0865936019), as if they had occurred on that date.

(**) The fully loaded Total Capital ratio of the Abanca Group does not match that contained in the 2025 Consolidated First Semester Interim Financial Statements due to regulatory adjustments. This is the ratio that has been reported to the Bank of Spain.

TAXATION

The following is a general description of certain Spanish tax considerations relating to the Preferred Securities. It does not purport to be a complete analysis of all tax considerations relating to the Preferred Securities whether in those countries or elsewhere. Prospective purchasers of Preferred Securities should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Preferred Securities and receiving payments of interest, principal and/or other amounts under the Preferred Securities. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date (which may have retroactive effects). Investors should consider the legislative changes which could occur in the future.

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

Spanish tax considerations

The following summary describes the main Spanish tax implications arising in connection with the acquisition and holding of the Preferred Securities by individuals or entities who are the Holders that qualify as the beneficial owners of the Preferred Securities. 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. This analysis is a general description of the tax treatment under the currently in force Spanish legislation applicable in the common territory of Spain and, hence, does not describe the regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre or the provisions passed by autonomous regions (*Comunidades Autónomas*) which may apply to investors for certain taxes.

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

Prospective purchasers of the Preferred Securities 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 Preferred Securities.

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

- (a) of general application, the First Additional Provision 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 ("**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 the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax Law, as amended ("**PIT Law**"), and Royal Decree 439/2007, of 30 March, approving the PIT Regulations, as amended ("**PIT Regulations**") by Royal Decree 633/2015, of 10 July, along with Law 19/1991, of 6 June, on Wealth Tax, as amended, ("**Wealth Tax Law**"), Law 38/2022, of 27 December, for the establishment of temporary taxes on energy and on credit institutions and financial credit establishments and introducing a provisional wealth tax for high-net-worth individuals ("**Solidarity Tax Law**") and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended, ("**Inheritance and Gift Tax Law**") and Law 38/2022;
- (c) for legal entities resident for tax purposes in Spain which are CIT taxpayers, Law 27/2014, of 27 November, on the Corporate Income Tax ("**CIT Law**"), and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations, as amended ("**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 the Wealth Tax Law, Solidarity Tax Law and the Inheritance and Gift Tax Law.

Tax treatment of the Preferred Securities

Indirect taxation

Whatever the nature and residence of the Holder, the acquisition and subsequent transfer of Preferred Securities will be exempt from Transfer Tax, Stamp Duty and Value Added Tax ("**VAT**"), in accordance with Article 338 of the Law 6/2023, of 17 March, on Securities Markets and Investment Services and Law 37/1992, of 28 December 1992 regulating the Value Added Tax ("**VAT Law**").

ABANCA understands that the Preferred Securities 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***

PIT (Impuesto sobre la Renta de las Personas Físicas)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Preferred Securities 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 per cent. for taxable income up to €6,000; 21 per cent. for taxable income between €6,000.01 and €50,000 and 23 per cent. for taxable income between €50,000.01 and €200,000; 27 per cent. for taxable income between €200,000.01 and €300,000 and 30 per cent. for taxable income in excess of €300,000.

Income from the transfer of the Preferred Securities 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 Preferred Securities, 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 Preferred Securities will be deductible, excluding those pertaining to discretionary or individual portfolio management.

A (current) 19 per cent. 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 Preferred Securities, by individual investors subject to PIT.

However, income derived from the transfer of the Preferred Securities should not be subject to withholding on account of PIT provided that the Preferred Securities 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 per cent. withholding tax shall apply on the part of the transfer price that corresponds to the accrued interest when the transfer of the Preferred Securities 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 Preferred Securities being transferred is exempt from withholding tax in relation to the acquirer.

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 Holders of the Preferred Securities 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 the relevant legislation in the autonomous region (*Comunidad Autónoma*) where the Holder is deemed to be resident for tax purposes), individuals with tax residency in Spain would be subject to Wealth Tax to the extent that their net worth exceeds €700,000. Therefore, Holders should take into account the value of the Preferred Securities which they hold as of 31 December in each year. The applicable rates range between 0.2 per cent. and 3.5 per cent., although the final tax rates may vary depending on any applicable regional tax laws, and some reductions or reliefs may apply.

In addition, the solidarity provisional wealth tax for high-net-worth individuals (the "**Solidarity Tax**") was approved in December 2022 by the Solidarity Tax Law. The Solidarity Tax is a direct and personal tax that complements the Wealth Tax in which the taxable event is a natural person's ownership of at least €3,000,000 in net assets on 31 December of each year. Notwithstanding the above, note that the regulation lays down a minimum exempt amount of EUR700,000 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than EUR3,700,000.

The taxpayers of the Solidarity Tax and the Wealth Tax are individuals. In practice, as the Solidarity Tax Law allows the Wealth Tax amount payable to be deducted, the Solidarity Tax will have a greater impact on taxpayers residing in autonomous regions in which the Wealth Tax is partially or fully exempt. The rates of the Solidarity Tax are (i) 1.7 per cent. on a net worth between EUR 3,000,000 and EUR 5,000,000, (ii) 2.1 per cent. on a net worth between EUR 5,000,000 and EUR 10,000,000 and (iii) 3.5 per cent. on a net worth of more than EUR 10,000,000.

Although, originally, the Solidarity Tax was intended to be temporary, its application has been extended indefinitely (until the current regional financing regime is revised).

Prospective investors are advised to seek their own professional advice in relation to the Wealth Tax and the Solidarity Tax.

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

Individuals with tax residency in Spain who acquire ownership or other rights over any Preferred Securities by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional or state rules.

The tax rate applicable to the taxable base ranges from 7.65% to 34%. The effective tax rate would depend on specific factors, such as the wealth of the taxpayer and the degree of their kinship with the deceased or the donor, subject to specific rules approved in each region and, as a result, the effective tax rate may vary from between 0 per cent. to 81.6 per cent.

(b) *Spanish tax resident legal entities*

CIT (*Impuesto sobre Sociedades*)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Preferred Securities are subject to CIT at the current general flat tax rate of 25 per cent.

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 per cent.). Special rates apply in respect of certain types of entities (such as qualifying collective investment undertakings, which are taxed at the rate of 1 per cent.), newly created entities (taxed at the rate of 15 per cent. for the first tax period in which the taxable base is positive and for the following period), and entities whose turnover is below a certain threshold (taxed at a rate between 17 per cent. and 20 per cent.).

No withholding on account of CIT will be imposed on interest payments or on income derived from the redemption or repayment of the Preferred Securities, by Spanish CIT taxpayers provided that certain requirements are met (including that the Iberclear Members that have the Preferred Securities 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 Preferred Securities, in accordance with Article 61.q of the CIT regulations, there is no obligation to withhold on income derived from the Preferred Securities obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Preferred Securities are:

- (i) registered by way of book entries; and
- (ii) negotiated on 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 Holders of the Preferred Securities 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 are not subject to Spanish Wealth Tax nor to the Solidarity Tax.

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

Legal entities resident in Spain are not subject to the Inheritance and Gift Tax but generally must include the market value of the Preferred Securities 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 Preferred Securities through a permanent establishment in Spain

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

If the Preferred Securities 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 Preferred Securities are, generally, the same as those set forth above for Spanish CIT taxpayers. See "*—Spanish tax resident legal entities– CIT (*Impuesto sobre Sociedades*)*".

Ownership of the Preferred Securities 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 Holders of the Preferred Securities that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Preferred Securities through a permanent establishment in Spain.

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

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

Both interest payments periodically received under the Preferred Securities and income derived from the transfer, redemption or repayment of the Preferred Securities, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Preferred Securities, 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 Preferred Securities carried out by ABANCA, the Iberclear Members that have the Preferred Securities 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 Preferred Securities, ABANCA will withhold Spanish withholding tax at the applicable rate (currently 19 per cent.) on such payment of income on the Preferred Securities and ABANCA will not pay additional amounts with respect to any such withholding tax.

A Holder 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 Holder'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, Holders of the Preferred Securities 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 per cent. and 3.5 per cent. although some reductions may apply.

However, non-Spanish resident individuals will be exempt from Wealth Tax and Solidarity Tax in respect of the Preferred Securities 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 (*Comunidad Autónoma*) where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

Moreover, the non-resident individuals will be subject to the Solidarity Tax for those properties and rights that are located in Spain, or that can be exercised within the Spanish territory on 31 December of each year.

As previously detailed, the net tax liability accrued for the Solidarity Tax will be reduced, in addition to the amount of the deduction and allowances set forth in Wealth Tax Law, by the amount of the Wealth Tax net liability effectively paid, therefore the Solidarity Tax will have a greater impact on taxpayers who have the highest value of their assets and rights located or exercisable in autonomous regions in which the Wealth Tax is partially or fully exempt.

Regarding the rates of the Solidarity Tax, please, refer to section “*Individuals with tax residency in Spain - Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*”.

Prospective investors are advised to seek their own professional advice in this regard.

Non-Spanish resident legal entities are not subject to Wealth Tax nor to the Solidarity Tax.

Prospective purchasers of the Preferred Securities should seek their own professional advice in relation to the Net Wealth Tax and the 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 Preferred Securities 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 the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with Spanish legislation.

However, if the deceased, heir or the donee are resident in an EU or EEA Member State, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. Moreover, the Spanish Supreme Court in its judgments dated 19 February 2018, 21 March 2018 and 22 March 2018 has declared that the application of state regulations when the deceased, heir or donee is resident outside of a Member State of the EU or the EEA violates the free movement of capital under European law, so even in that case it would be appropriate to defend the application of regional regulations in the same cases as if the deceased, heir or donee was resident in a Member State of the EU or the EEA. The General Directorate for Taxation has ruled in accordance with those judgements (V3151-18 and V3193-18).

Non-Spanish resident legal entities are not subject to Inheritance and Gift Tax. In case such entities acquired the ownership or other rights over the Preferred Securities by inheritance, gift or legacy, 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—CIT (Impuesto sobre Sociedades)—Individuals and legal entities that are not tax resident in Spain*”, provided the conditions set forth in First Additional Provision of Law 10/2014 are met, income payments made by ABANCA in respect of the Preferred Securities 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 Preferred Securities 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 Preferred Securities.
- (ii) Income payment date.
- (iii) Total amount of the income paid by ABANCA.
- (iv) Amount of the income corresponding to individual residents in Spain that are PIT taxpayers.
- (v) 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 Preferred Securities, such payment will be made net of Spanish withholding tax, currently at the rate of 19 per cent. If this were to occur, affected Holders 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, Holders 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 Preferred Securities. Accordingly, ABANCA will not be liable for any damage or loss suffered by any Holder 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.

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 FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Member States may withdraw.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Preferred Securities (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.

It should be noted that the EU FTT could, if implemented, have an impact on the Spanish FTT and thus, the abovementioned treatment. Prospective holders of the Preferred Securities are advised to seek their own professional advice in relation to the EU FTT.

The Spanish Financial Transactions Tax

Spanish Law 5/2020 on the Financial Transactions Tax, implementing the Spanish tax on financial transactions ("**Spanish FTT**") came into force on 16 January 2021.

Spanish FTT charges a 0.2 per cent. rate on specific onerous acquisitions of listed shares issued by Spanish companies admitted to trading on a Spanish or other EU-regulated market, or on an equivalent market of a non-EU country, with a market capitalization that exceeds €1 billion on December 1 of the year prior to the acquisition, regardless of the jurisdiction of residence of the parties involved in the transaction.

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 2025, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded €1 billion as of 1 December 2024, which will fall within the scope of the Spanish FTT.

According to the criterion of the Spanish tax authorities, the Spanish FTT would not apply in relation to the acquisition of debt securities.

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. ABANCA may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of ABANCA) 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 Preferred Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Preferred Securities, 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 Preferred Securities, 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 Preferred Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Preferred Securities, no person will be required to pay additional amounts as a result of the withholding.

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 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 Prospectus.

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

The Joint Lead Managers have, in a subscription agreement dated 10 September 2025 (the "**Subscription Agreement**") entered into among ABANCA and the Joint Lead Managers on the terms and subject to the customary conditions precedent contained therein, which have been complied with, agreed to procure subscribers for, or to subscribe and pay for, the Preferred Securities on the Closing Date at the issue price of 100% of their principal amount. ABANCA has agreed to pay the Joint Lead Managers a combined management and underwriting fee and to reimburse them for certain of their expenses incurred in connection with the management of the offering of the Preferred Securities.

ABANCA will use all reasonable endeavours to procure that the Preferred Securities are admitted to listing on the AIAF within 30 days from the Closing Date and to maintain such admission until none of the Preferred Securities is outstanding. The Preferred Securities may also be admitted to listing on any other secondary market compliant with the requirements of Law 10/2014 as may be agreed by ABANCA acting reasonably.

Selling Restrictions

Canada

Each Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer or sell any of the Preferred Securities in Canada except to purchasers in the provinces of Canada purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Preferred Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Prohibition of sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Preferred Securities 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.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Preferred Securities to any retail investor in the UK. 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 domestic law 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 domestic law by virtue of the EUWA.

The Kingdom of Spain

Each of the Joint Lead Managers has represented and agreed that the Preferred Securities have not been offered or sold in the Kingdom of Spain other than by institutions authorised under the Spanish Securities Market Law and related legislation, to provide investment services in the Kingdom of Spain, and as agreed between ABANCA and the Joint Lead Managers, offers of the Preferred Securities in the Kingdom of Spain have only been directed specifically at or made to professional clients (*clientes profesionales*) as defined in Article 194 of the Spanish Securities Market Law and Article 112 of Royal Decree 813/2023, of 8 November, as amended or replaced from time to time, and eligible counterparties (*contrapartes elegibles*) as defined in Article 196 of the Spanish Securities Market Law.

United Kingdom

Each Joint Lead Manager has further represented, warranted and undertaken that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 the Preferred Securities in circumstances in which Section 21(1) of the FSMA does not apply to ABANCA; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Preferred Securities in, from or otherwise involving the UK.

United States of America

The Preferred Securities have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Preferred Securities 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.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Preferred Securities, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering of the Preferred Securities and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells any Preferred Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preferred Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering of the Preferred Securities, an offer or sale of the Preferred Securities within the United States by a dealer (whether or not participating in the offering of the Preferred Securities) may violate the registration requirements of the U.S. Securities Act.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager severally (and not jointly) has represented, warranted and agreed that it has not offered or sold any Preferred Securities or caused the Preferred Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Preferred Securities or cause the Preferred Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Preferred Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and

Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Republic of Italy

Each Joint Lead Manager has represented and agreed that the offering of the Preferred Securities has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation. Each Joint Lead Manager has represented and agreed that any offer, sale or delivery of the Preferred Securities or distribution of copies of this Prospectus or of any other document relating to the Preferred Securities in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver any Preferred Securities or distribute copies of this Prospectus and/or any other document relating to the Preferred Securities in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation; or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**"), Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any such offer, sale or delivery of the Preferred Securities or distribution of copies of this Prospectus or any other document relating to the Preferred Securities in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time);
- (ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Preferred Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Preferred Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Preferred Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

The offering of the Preferred Securities in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**"). This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Preferred Securities.

Belgium

Each Joint Lead Manager has represented and agreed that the offering of the Preferred Securities may not be advertised to any individual in Belgium qualifying as a consumer (*consument/consommateur*) within the meaning of Article I.1 of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended from time to time (a "**Belgian Consumer**"), and that it has not offered, sold, transferred or delivered, and will not offer, sell, transfer or deliver, directly or indirectly, Preferred Securities to any Belgian Consumers, and that it has not distributed and will not distribute any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Preferred Securities, directly or indirectly, to any Belgian Consumer.

General

Each Joint Lead Manager has represented, warranted and agreed 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 Preferred Securities or possesses, distributes or publishes this Prospectus or any other offering material relating to the Preferred Securities.

Persons into whose hands this Prospectus comes are required by ABANCA and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Preferred Securities or possess, distribute or publish this Prospectus or any other offering material relating to the Preferred Securities, 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 Preferred Securities.

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 Alternative Stock 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% 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 legitimisation 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 Preferred Securities

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 Preferred 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 Statement

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 28 July 2025, accept responsibility for the information contained in this Prospectus and declare, to the best of their knowledge, that the information contained in this Prospectus is in accordance with the facts and that the Prospectus contains no omissions likely to affect its import.

Authorisation

2. The creation and issue of the Preferred Securities has been authorised by a resolution of the Board of Directors of ABANCA dated 28 July 2025.

Third party information

3. Information included in this 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.

Issue Price and Yield

4. On the basis of the issue price of the Preferred Securities of 100% of their principal amount, the annual yield of the Preferred Securities for the period from (and including) the Closing Date to (but excluding) the First Reset Date is 6.267%. This yield was calculated on the Closing Date and is not an indication of future yield.

Clearing: ISIN and Common Code

5. The Preferred Securities have been accepted for clearance through Iberclear. The Preferred Securities bear the ISIN ES0865936035 and the common code 318241384.

Listing

6. This Prospectus has been approved by the CNMV as competent authority under the Prospectus Regulation. The CNMV has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the Issuer or the quality of the Preferred Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Preferred Securities.

Application has been made for the Preferred Securities to be admitted to trading on AIAF. AIAF is a regulated market for the purposes of MiFID II. The Preferred Securities may also be admitted to trading on any other secondary market compliant with the requirements of Law 10/2014 as may be agreed by ABANCA acting reasonably.

Paying agency

7. All payments under the Conditions will be carried out directly by ABANCA through Iberclear. The corporate address of Iberclear is Plaza de la Lealtad 1, 28014 Madrid, Spain.

Ratings

8. The Preferred Securities are rated "BB-" by Fitch.

In accordance with Fitch's ratings definitions, “BB” ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. Within rating categories, Fitch may use modifiers. The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories.

Stabilisation

9. In connection with the issue of the Preferred Securities, Crédit Agricole Corporate and Investment Bank (the “**Stabilisation Manager**”) (or person(s) acting on behalf of any Stabilisation Manager) may overallocate Preferred Securities or effect transactions with a view to supporting the market price of the Preferred Securities 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 Preferred Securities 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 Preferred Securities and 60 days after the date of the allotment of the Preferred Securities. Any stabilisation action or overallocation must be conducted by the relevant Stabilisation Manager (or person(s) acting on behalf of any Stabilisation Manager) in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and any other applicable laws and rules.

Interests of natural and legal persons involved in the offer of the Preferred Securities

10. Save as discussed in “*Subscription and Sale*”, so far as ABANCA is aware, no person involved in the offer of the Preferred Securities had an interest material to the offer.

Other relationships

11. Certain Joint Lead Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, ABANCA and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their respective 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 ABANCA or its affiliates. Certain Joint Lead Managers or their respective affiliates that have a lending relationship with ABANCA routinely hedge their credit exposure to ABANCA consistent with their customary risk management policies. Typically, such Joint Lead Managers and their respective 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 Preferred Securities issued under the Prospectus. Any such short positions could adversely affect future trading prices of Preferred Securities issued under the Prospectus. The Joint Lead Managers and their respective 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.

Information on websites

12. Information contained on any website referred to in this Prospectus does not form part of this Prospectus and has not been scrutinised or approved by the CNMV.

Subscription and disbursement

13. As of the date of this Prospectus, 2,500 Preferred Securities of €200,000 of Original Principal Amount each have been fully subscribed and disbursed.

Expenses related to the admission to trading

14. For informative purposes only, an approximate estimate of the expenses payable by ABANCA in relation to the admission to trading is as follows:

Type of expense	Euro (estimated amount)
Charges and fees of AIAF and Iberclear	26,500
CNMV fees (approval and registration of the listing prospectus)	5,203.03
Total.....	31,703.03

SIGNATURES

In witness to their knowledge and approval of the contents of this 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 28 July 2025.

REGISTERED OFFICE OF ABANCA

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LEGAL ADVISORS

To ABANCA as to Spanish law

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To the Joint Lead Managers as to Spanish law

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AUDITORS TO ABANCA

For the years 2024 and 2025

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