

BASE PROSPECTUS



CAIXABANK, S.A.

(incorporated as a limited liability company (sociedad anónima) in Spain)

EURO 30,000,000,000

Euro Medium Term Note Programme

Under this Euro 30,000,000,000 Euro Medium Term Note Programme (the **Programme** described in this Base Prospectus (which replaces the previous Base Prospectus dated 23 April 2020, in respect of the Programme)), CaixaBank, S.A. (the **Issuer**, the **Bank** or **CaixaBank**) may from time to time issue notes governed by English law (the **English Law Notes**) and notes governed by Spanish law (the **Spanish Law Notes** and together with the English Law Notes, the **Notes**), as specified in the applicable Final Terms. The terms and conditions of the English Law Notes (the **English Law Conditions**) are set out herein in the section headed "*Terms and Conditions of the English Law Notes*" and the terms and conditions of the Spanish Law Notes (the **Spanish Law Conditions**) are set out herein in the section headed "*Terms and Conditions of the Spanish Law Notes*". References to the "Notes" shall be to the English Law Notes and/or the Spanish Law Notes, as appropriate, and reference to the "Terms and Conditions", "Terms and Conditions of the Notes" or the "Conditions" shall be to the English Law Conditions and/or the Spanish Law Conditions, as appropriate. For the avoidance of doubt, in the English Law Conditions, references to the "Notes" shall be to the English Law Notes, and in the Spanish Law Conditions, references to the "Notes" shall be to the Spanish Law Notes. Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) subject to any applicable legal or regulatory restrictions. CaixaBank and its subsidiaries comprise the CaixaBank Group (the **CaixaBank Group** or the **Group**).

The Final Terms (as defined below) for each Tranche (as defined under "*Terms and Conditions of the English Law Notes*" and "*Terms and Conditions of the Spanish Law Notes*", as applicable) of Notes will state whether the Notes of such Tranche are to be (a) Senior Notes or (b) Subordinated Notes and, if Senior Notes, whether such notes are (i) Ordinary Senior Notes or (ii) Senior Non-Preferred Notes and, if Subordinated Notes, whether such Notes are (i) Senior Subordinated Notes or (ii) Tier 2 Subordinated Notes.

The maximum aggregate original nominal amount of all Notes from time to time outstanding under the Programme will not exceed Euro 30,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

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

Potential investors should note the statements on pages 249 – 255 regarding the tax treatment in Spain of income obtained in respect of Notes and the disclosure requirements imposed by Law 10/2014 (as defined below) on the Issuer. In

particular, payments on Notes may be subject to Spanish withholding tax if certain information relating to Notes is not received by the Issuer in a timely manner.

This document has been approved as a base prospectus by the Central Bank of Ireland (the **CBI**) in its capacity as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CBI should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes

Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of The Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU, as amended (**MiFID II**) or that are to be offered to the public in any Member State of the European Economic Area (the **EEA**) in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the **Official List**) and trading on the Euronext Dublin Regulated Market. References in the Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to listing on the Official List of Euronext Dublin and admitted to trading on the Euronext Dublin Regulated Market or, as the case may be, a regulated market for the purposes of MiFID II. The Euronext Dublin Regulated Market is a regulated market for the purposes of MiFID II. This document may be used to list Notes on the Euronext Dublin Regulated Market pursuant to the Programme.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or Article 3(2) of the Prospectus Regulation.

Notice of the aggregate original nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the English Law Notes*" and "*Terms and Conditions of the Spanish Law Notes*", as applicable) of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the CBI and, where listed, Euronext Dublin. Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin (www.euronext.com/en/markets/dublin).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state in the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (see "*Subscription and Sale*").

The Issuer's long term ratings are Baa1 (stable outlook) by Moody's Investors Service España, S.A. (**Moody's**), BBB+ (stable outlook) by S&P Global Ratings Europe Limited (**S&P Global**), BBB+ (negative outlook) by Fitch Ratings Ireland Limited (**Fitch**) and A (Stable Trend) by DBRS Ratings GmbH (**DBRS**). Each of Moody's, S&P Global, Fitch and DBRS is established in the European Union (**EU**) and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Moody's, S&P Global, Fitch and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. None of

Moody's, S&P Global, Fitch or DBRS are established in the United Kingdom, however they are each part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) is registered in accordance with the CRA Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the **UK CRA Regulation**). The Issuer ratings issued by Moody's, S&P Global, Fitch and DBRS have been endorsed by Moody's Investors Service Limited, S&P Global Ratings UK Limited, Fitch Ratings Limited and DBRS Ratings Limited, respectively, in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's, S&P Global, Fitch and DBRS may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

MiFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, 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; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

UK PRIIPs / IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these

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

Amounts payable on Floating Rate Notes and Fixed Reset Notes may be calculated by reference to one of the Euro Interbank Offered Rate (**EURIBOR**), the London Interbank Offered Rate (**LIBOR**), the Sterling Overnight Index Average (**SONIA**) or the Secured Overnight Financing Rate (**SOFR**), as specified in the relevant Final Terms, which are administered by the European Money Markets Institute (**EMMI**), ICE Benchmark Administration Limited (**ICE**), the Bank of England and the Federal Reserve Bank of New York, respectively. As at the date of this Base Prospectus EMMI is included in the European Securities and Markets Authorities' (**ESMA**) register of administrators and benchmarks under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**). ICE, the Bank of England and the Federal Reserve Bank of New York are not included in ESMA's register of administrators and benchmarks under Article 36 of the EU Benchmarks Regulation. The transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain recognition, endorsement or equivalence. As far as the Issuer is aware, SONIA and SOFR do not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of the EU Benchmarks Regulation. Amounts payable on CMS Linked Interest Notes may be calculated by reference to one or more "benchmarks" for the purpose of the EU Benchmarks Regulation. In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in ESMA's register of administrators and benchmarks under Article 36 of the EU Benchmarks Regulation.

Arranger

BARCLAYS

Dealers

BBVA
BofA Securities
CaixaBank, S.A.
Commerzbank
Credit Suisse
Goldman Sachs Bank Europe SE
J.P. Morgan
Morgan Stanley
Nomura
Société Générale Corporate & Investment Banking
UniCredit

Barclays
BNP PARIBAS
Citigroup
Crédit Agricole CIB
Deutsche Bank
HSBC
Mediobanca - Banca di Credito Finanziario S.p.A.
NATIXIS
Santander Corporate & Investment Banking (SCIB)
UBS Investment Bank

The date of this Base Prospectus is 27 April 2021.

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CBI.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or any responsibility accepted for any acts or omissions of the Issuer or any other person in connection with the Base Prospectus or the issue and offering of any Notes. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

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

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

INFORMATION ON THE MERGER

On 18 September 2020, CaixaBank announced that its Board of Directors had approved the joint merger plan for the merger of Bankia, S.A. (**Bankia**) (absorbed company) into CaixaBank (absorbing company). The merger was approved by the shareholders' meetings of CaixaBank and Bankia held on 3 December 2020 and 1 December 2020, respectively, and after obtaining the required authorisations, the merger was registered with the Commercial Registry of Valencia on 26 March 2021 and thus became effective as of that date.

The consolidated financial statements of CaixaBank and Bankia for the years ended 31 December 2019 and 2020 are incorporated by reference in this Base Prospectus. However, it should be noted that no financial information on the Group resulting from the merger is available nor pro forma consolidated financial information has been prepared for the purposes of this Base Prospectus. As a result, there is limited financial information on which to evaluate the business, financial condition, results of operations and cash flows of the Group resulting from the merger.

Accordingly, although the risk factors and the description of the business activities contained in this Base Prospectus are those of CaixaBank and its Group after the merger, the quantitative information included therein (including relevant historical consolidated financial information) refers to CaixaBank and/or Bankia (and their respective groups) as separate entities and/or groups and therefore may not reflect what the business, financial condition, results of operations and cash flows of the Group resulting from the merger would have been had the merger been effective during the periods presented or what the business, financial condition, results of operations and cash flows of the Group resulting from the merger will be in the future.

In addition, no information on the regulatory own funds or eligible liabilities position and requirements of CaixaBank and the Group resulting from the merger is available. Historical information of CaixaBank and of Bankia on their regulatory own funds and eligible liabilities position and requirements either contained in this Base Prospectus or publicly available may not reflect what that position and requirements of CaixaBank and the Group resulting from the merger would have been had the merger been effective during the periods presented.

Consequently, it may be difficult to evaluate the current business of CaixaBank and its Group and predict its future performance on the basis of the information contained in this Base Prospectus.

Certain information included herein contains forward-looking statements and objectives which have not been verified by an independent entity, and the accuracy, completeness or correctness thereof should not be relied upon. All statements that are not statements of historical fact, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of CaixaBank (which term includes its subsidiaries and investees) and run-rate metrics, are mere forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of CaixaBank, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding CaixaBank's present and future business strategies and the environment in which CaixaBank expects to operate in the future, which may not be fulfilled. Due to such uncertainties and risks, investors are cautioned not to place undue reliance on such forward-looking statements.

Certain information included herein also contains aggregated unadjusted combined information of the Issuer and Bankia, S.A. (and their respective groups). Such information does not constitute pro forma financial information for the purposes of, nor has such information been prepared in accordance with, Annex 20 of Commission Delegated Regulation (EU) 2019/980 and has not been reviewed, audited or verified by any third party.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA, the UK, Spain, France, Belgium, Republic of Italy, Switzerland, Japan, Singapore, Hong Kong and Australia (see "*Subscription and Sale*").

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

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE), AS AMENDED FROM TIME TO TIME (THE SFA)

The Final Terms in respect of any Notes may include a legend entitled "Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)" which will state the product classification of the Notes pursuant to section 309B(1) of the SFA. The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

GUIDANCE UNDER THE HONG KONG MONETARY AUTHORITY (THE HKMA) CIRCULAR - in October 2018, 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, are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the **SFO**) and its subsidiary legislation, **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 Notes in the primary or secondary markets unless they are Professional Investors only and understand the risks involved. The Notes are generally not suitable for retail investors.

PRESENTATION OF INFORMATION

In this Base Prospectus, all references to:

- **U.S. dollars** refer to United States dollars;
- **Sterling** and **£** refer to pounds sterling;
- **Kwanza** refer to Angolan kwanza; and
- **euro, EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the EU, as amended.

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

STABILISATION

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

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OVERVIEW OF THE PROGRAMME

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

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "Form of the Notes", "Terms and Conditions of the English Law Notes" and "Terms and Conditions of the Spanish Law Notes" shall have the same meanings in this Overview.

Issuer: CaixaBank, S.A.

LEI Code: 7CUNS533WID6K7DGF187

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "Risk Factors" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include certain risks relating to the structure of particular Series of Notes and certain market risks.

Description: Euro Medium Term Note Programme

Arranger: Barclays Bank Ireland PLC

Dealers: Banco Bilbao Vizcaya Argentaria, S.A.
Banco Santander, S.A.
Barclays Bank Ireland PLC
BNP Paribas
BofA Securities Europe SA
CaixaBank, S.A.
Citigroup Global Markets Europe AG
Commerzbank Aktiengesellschaft
Crédit Agricole Corporate and Investment Bank
Credit Suisse Securities Sociedad de Valores S.A.
Deutsche Bank Aktiengesellschaft
Goldman Sachs Bank Europe SE
HSBC Bank plc
HSBC Continental Europe
J.P. Morgan AG
Mediobanca - Banca di Credito Finanziario S.p.A.
Morgan Stanley Europe SE
NATIXIS
Nomura Financial Products Europe GmbH
Société Générale
UBS Europe SE
UniCredit Bank AG

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.

Issuing and Principal Paying Agent:

BNP Paribas Securities Services, Luxembourg Branch.

Programme Size:

Up to EUR 30,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) in aggregate original nominal amount of all Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:

Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:

Notes may be denominated in euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.

Maturities:

Any maturity of at least one year in the case of Senior Notes and Senior Subordinated Notes and a minimum maturity of five years in the case of Tier 2 Subordinated Notes, as indicated in the applicable Final Terms or such other minimum or maximum maturity as may be allowed or required from time to time by the relevant competent authority or any applicable laws or regulations.

Issue Price:

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

Form of Notes:

The Notes will be in bearer form and will on issue be represented by either a temporary global Note or a permanent global Note as specified in the applicable Final Terms. Temporary global Notes will be exchangeable either for (a) interests in a permanent global Note or (b) for definitive Notes as indicated in the applicable Final Terms. Permanent global Notes will be exchangeable for definitive Notes upon the occurrence of an Exchange Event as described under "*Form of the Notes*".

Clearing Systems:

Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**) and/or, in relation to any Notes, any other clearing system as may be specified in the relevant Final Terms.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will

be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer. Fixed Reset Notes may also be issued.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of the reference rate set out in the applicable Final Terms.

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

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

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

CMS Linked Interest Notes:

CMS Linked Interest Notes bear interest (if any) at a rate determined by reference to one or more swap rates.

Benchmark Discontinuation:

On the occurrence of a Benchmark Event, the Issuer and an Independent Adviser may, subject to certain conditions, in accordance with Condition 3.4 (*Benchmark Discontinuation*) and without any separate consent or approval of the Noteholders, determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default and, in the case of Tier 2 Subordinated Notes, following a Capital Event or, in the case of Ordinary Senior Notes eligible to comply with MREL Requirements, Senior Non-Preferred Notes or Subordinated Notes, an Eligible Liabilities Event) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. In particular, redemption of Tier 2 Subordinated Notes at the option of the Issuer may only take place after five years from their

date of issuance or any different minimum period permitted under Applicable Banking Regulations.

Redemption for taxation reasons in the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, or redemption following a Capital Event or an Eligible Liabilities Event, will be subject to the prior permission of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and may only take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time. Tier 2 Subordinated Notes where the Eligible Liabilities Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to an Eligible Liabilities Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

See Condition 5 (*Redemption and Purchase*).

Substitution and Variation:

If an Alignment Event or circumstance giving rise to the right of the Issuer to redeem the Ordinary Senior Notes eligible to comply with MREL Requirements, Subordinated Notes or Senior Non-Preferred Notes under Condition 5.2 (*Redemption for tax reasons*), Condition 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*) or Condition 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*) occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, including, in the case of English Law Notes by changing the governing law of the Notes from English law to Spanish law, without any requirement for the consent or approval of the Noteholders, so that they are substituted for, or varied to become or remain, Qualifying Notes. See Condition 18 (*Substitution and Variation*).

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each note will be at least EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) in the case of Notes to be admitted to trading on a regulated market for the purposes of MiFID II.

Taxation:

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined in Condition 6 (*Taxation*)), unless

such withholding or deduction is required by law. In that event, the Issuer will, save in certain limited circumstances or exceptions (please refer to Condition 6 (*Taxation*) of the Terms and Conditions of the Notes) be required to pay such additional amounts in respect of interest and, in respect of Ordinary Senior Notes only (unless otherwise indicated in the relevant Final Terms), principal and/or any premium, as will result in receipt by the Noteholders of such amounts in respect of such interest and, in respect of Ordinary Senior Notes only (unless otherwise indicated in the relevant Final Terms), principal and/or any premium, as would have otherwise been receivable by them had no such withholding or deduction been required.

The Issuer considers that, according to the simplified information procedures set out in Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July (**Royal Decree 1065/2007**), the Issuer is not obliged to identify Noteholders as described in "*Taxation – Simplified information procedures*". For further information regarding the interpretation of Royal Decree 1065/2007 please refer to "*Risk Factors – 17. Risks relating to the Spanish withholding tax regime*".

All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6 (*Taxation*)) any law implementing an intergovernmental approach thereto.

Negative Pledge:

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

Cross Default:

The terms of the Ordinary Senior Notes will contain a cross default provision as further described in Condition 8 (*Events of Default*) if indicated as "Applicable" in the relevant Final Terms.

The terms of the Senior Non-Preferred Notes and the Subordinated Notes will not contain a cross default provision.

Status of the Notes:

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

Rating:

The Issuer's long term ratings are Baa1 (stable outlook) by Moody's, BBB+ (stable outlook) by S&P Global; BBB+ (negative outlook) by Fitch and A (Stable Trend) by DBRS.

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

This Base Prospectus has been approved by the CBI as competent authority under the Prospectus Regulation. Application has been made for Notes issued under the Programme to be listed on the Official List of Euronext Dublin. No unlisted Notes may be issued under the Programme.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series.

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

Governing Law:

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

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

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, Spain, France, Belgium, Republic of Italy, Switzerland, Japan, Singapore, Hong Kong and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale*").

United States Selling Restrictions:

Regulation S. TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes and are classified by categories and listed in order of decreasing materiality within each category, taking into account both the probability that they might occur as well as the expected magnitude of their negative impact.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The factors discussed below regarding the risks of acquiring or holding any Notes are not exhaustive, and additional risks and uncertainties that are not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Notes. In particular, there are certain other risks, which are considered to be less important or because they are more general risks which have not been included in this Base Prospectus in accordance with the Prospectus Regulation.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Listed below are the risk factors which could be considered specific to the CaixaBank Group and relevant when adopting an informed investment decision.

The identification of such risk factors is based on the Group's corporate risk taxonomy (the "**Corporate Risk Taxonomy**"), a description of the material risks identified in the risk self-assessment process or Risk Assessment, which is at least reviewed on an annual basis.

The materialisation of any of the risks included in the Corporate Risk Taxonomy could have a negative effect on the business, economic results, financial position, the Bank's credit rating or even the image and reputation of the Group. Moreover, risks currently not considered relevant by the Issuer, or risks currently unknown to the Issuer, might also have such negative effects on the Group.

The Corporate Risk Taxonomy is organised into categories (risks specific to the financial activity, risks stemming from its business model and operational and reputational risks).

The materiality of these risks is not only conditioned by the exposure to them and by how efficiently they are controlled and managed. The Group is also exposed to relevant events that might result in a significant impact for the Group in the medium term and affect the materiality of several risks of the Corporate Risk Taxonomy (**Strategic Events**). The Risk Assessment process is also the main source of identification of these Strategic Events.

Based on the aforementioned internal process of risks and events identification and analysis, the content of this section is structured as follows:

- (A) Risk factors corresponding to Strategic Events which might affect the materiality of the risks contained in CaixaBank Group's Corporate Risk Taxonomy, particularly focused on the recent pandemic caused by the SARS-CoV-2 coronavirus (**COVID-19**) and the merger with Bankia;

- (B) Risks contained in CaixaBank Group's Corporate Risk Taxonomy; and
- (C) Risk factor of the Issuer's credit rating.
- (A) ***Risk factors corresponding to Strategic Events which might affect the materiality of the risks contained in CaixaBank Group's Corporate Risk Taxonomy, particularly focused on the recent pandemic caused by COVID-19 and the merger with Bankia***

The most relevant Strategic Events identified by the Group are as follows: (1) the uncertainties of the geopolitical and macroeconomic environment; (2) the arrival of new competitors with the possibility to disrupt; (3) cybercrime and data protection; (4) changes to the legal, regulatory or supervisory framework; (5) pandemics and other extreme operational events; and (5) the merger with Bankia.

The COVID-19 pandemic

The COVID-19 pandemic is having a significant effect on the economic activity of Spain and Portugal, among other countries, therefore it could have a damaging effect on the Group's financial position and risk profile.

The final impact of COVID-19 on each of the risks of the Corporate Risk Taxonomy is still unknown, as it will depend on future events and developments that are uncertain, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries, among them Spain and Portugal. As a result, the volatility of the financial markets has greatly increased. Likewise, the macroeconomic outlook has worsened considerably (see "*Description of the Issuer*" – "*Trend information*"), these are however forward-looking scenarios that are still volatile at this point in time. Given the high complexity of this environment, CaixaBank does continuously steer and assess the impact of COVID-19 on the financial situation and the risk profile of the Group.

In this context, legislators, regulators and supervisors, on both a national and international level, have issued regulations, communications and guidelines. These are mainly aimed at ensuring that the efforts of financial institutions are focused on performing the critical economic functions they perform, and to ensure consistent application of regulatory frameworks.

Indeed, the Spanish Government passed several Royal Decree-Laws (**RDL**) on urgent extraordinary measures to address the economic and social impact of COVID-19. Among these it is worth noting the extension to the moratorium on evictions of vulnerable borrowers and the broadening of the concept of a vulnerable person; the moratorium on mortgage debts for the acquisition of primary housing held by retail customers, the moratorium of consumer loans and the extension of public guarantees of the Official Credit Institute (**ICO**) for businesses and self-employed persons. In addition, other RDL were passed to support the following economic sectors: tourism, automobiles, transport, housing and energy. CaixaBank supplements legislative moratoria with other agreements, mainly at sectoral level. The Group has also made efforts to ensure the deployment of new ICO guarantee facilities and supplement them with specific credit facilities.

The Portuguese Government also approved extraordinary measures of similar nature as the ones described above to address the economic and social impact of COVID-19, which are essentially contained in the Decreto-lei 10-J/2020.

In relation to the above described measures, on 31 December 2020 the moratorium requests approved by the Group amounted to EUR 14,357 million, EUR 16,201 million as of 30 September 2020, which include both the legal moratoria and the moratoria derived from sectorial agreements complementing the legal moratoria. Moreover, as of 31 December 2020 the moratorium requests under analysis by the Group amounted to EUR 1 million, EUR 109 million as of 30 September 2020. Furthermore, the total amount of government backed financing as of 31 December 2020 amounted to EUR 13,191 million, EUR 12,442 million as of 30 September 2020.

As regards Bankia, as of 31 December 2020, it had implemented support measures as follows: (i) mortgage moratoriums to individuals with an outstanding gross amount of EUR 4,261 million; (ii) consumer loan moratoriums to individuals with an outstanding aggregate value of EUR 79 million; (iii) corporate moratoriums to legal entities (tourism and transport sector moratoriums) with an outstanding aggregate value of EUR 300 million; and (iv) new ICO-guaranteed loans to companies amounting to EUR 10,941 million.

The "quick fix" to CRR (see "*Capital and Eligible Liabilities Requirements*" - "*Overview of applicable capital requirements*"), which entered into force on 28 June 2020, backs the European Commission's intention to provide a temporary and targeted relief in prudential rules for EU banks. This will support credit flows to companies and households and absorb losses, mitigating the economic consequences of the COVID-19 lockdown.

From a prudential perspective, guidelines are also relevant as issued by the European Banking Authority's (EBA) on legislative and non-legislative moratoria that were granted until 30 June 2020 (later extended to 30 September 2020 and 31 March 2021). These guidelines include general criteria related to payment moratoria and conditions under which they might not be directly classified as forbearance.

On 27 March 2020 the International Accounting Standards Board (IASB) issued educational material with regard to how to apply the standard IFRS 9 in terms of credit risk in the environment arising from COVID-19. This standard requires the application of professional judgement, but at the same time requires and allows entities to adjust their approach in order to determine expected losses in different circumstances.

The Group's current assessment points to a significant increase in terms of credit risk and impairment of other assets. This might imply the need to materially increase the stock of provisions in order to address deterioration in credit portfolio quality, taking into account expected losses according to the IFRS9 standard, which has certain procyclical tendencies. In this sense, the main indicators and impacts observed by the Group during 2020 are described below:

On one hand, the Group recognised the changes in the macroeconomic scenarios and changed the weighting established for each scenario employed in the estimate of expected loss due to credit risk under IFRS9 accounting standard. For this purpose, internal economic projection scenarios based on the impact of the COVID-19 health crisis on the economy and different levels of severity have been used. The change in the macroeconomic scenario as a result of the impact of COVID-19 has led to the recognition of a provision for credit risk of EUR 1,252 million as of 31 December 2020, EUR 1,161 million at 30 September 2020. This provision has been calculated applying the same method and maintaining the same weight of the updated macroeconomic scenarios. Combining scenarios allows reducing the uncertainty of projections in the current context, although these provisions will be updated in coming quarters based on new available information. For further details on COVID-19 impact, refer to Note 3.4.1 of CaixaBank's 2020 Consolidated Financial Statements (as defined below).

In addition, as a result of the impact of COVID-19 on the economic context and the extended scenario of low interest rates, a provision was established as of 31 December 2020, following conservative criteria, for EUR 311 million associated with Erste Group Bank.

During 2020, Bankia recorded provisions amounting EUR 505 million to cover COVID-19 risks.

Regarding risks linked to the evolution of markets, including investment portfolios in debt instruments and investee undertakings, the materiality of the same could increase significantly as a result of the high levels of volatility observed in global financial markets. In this regard, it is also worth highlighting the risk of significant falls in the price of shares or other instruments issued by either CaixaBank or Bankia.

In an operational context, both CaixaBank and its subsidiaries activated their respective Business Continuity Plans. The contingency plans envisaged for a pandemic scenario were activated in order to safeguard business continuity and continue providing services to customers, maintaining the functionality of both the headquarters

of the Group and its subsidiaries and of the network of commercial branches and digital channels. However, the current situation led to an increase in the use of alternative channels to physical presence in banking transactions, such as the Group's websites and applications. This increase has been compounded by a new generalised teleworking environment and labour flexibility.

Bankia also activated contingency plans in order to remain fully operational; prevention and protection protocols were established and technology was improved in order to adapt the organisation to the new remote working situation.

The situation has been closely monitored by both CaixaBank and Bankia.

In relation to own funds, as detailed in section "*Description of the Issuer – Key events in 2019, 2020 and 2021 – COVID-19*", CaixaBank took decisions to reinforce its solvency for as long as it has the capacity and flexibility to support the economy as a response to COVID-19; mainly the reduction of the dividend charged to the 2019 financial year, the amendment to the dividend policy and a reduction of the common equity tier 1 (CET1) solvency ratio targets. Furthermore, the CEO and the rest of the Senior Management of CaixaBank took the decision to renounce to their bonus for the 2020 financial year.

Regarding Bankia, extraordinary distributions in 2020 were ruled out as a result of the review of the capital distribution target set in the Bankia's Group 2018-2020 Strategic Plan.

Lastly, on 27 March 2020 Fitch revised from stable to negative its outlook for the operating environment of the Spanish banking sector as a result of COVID-19 and, as a consequence, the outlook on CaixaBank's long-term issuer rating (BBB+) was also revised from stable to negative. In September 2020, Fitch confirmed CaixaBank's ratings and maintained the negative outlook. On 26 March 2020, Moody's also changed the outlook on the Spanish banking sector from stable to negative. In March 2021, Moody's updated its assessment of the overall Spanish banking sector, with its outlook returning to Stable from Negative to reflect that a rebound in the economy and substantial loan-loss provisions set aside against expected rises in problem loans will protect banks' creditworthiness over the next 12 to 18 months. Within this period of time, Moody's has confirmed CaixaBank ratings and maintained the stable outlook on its long-term issuer rating (Baa1). With regards to S&P Global, on 29 April 2020, it revised its economic risk trend for Spanish banks from stable to negative, without taking any action on CaixaBank's ratings at that time. S&P Global has since reviewed CaixaBank's ratings in September 2020, in March 2021 and in April 2021, in all occasions confirming CaixaBank's ratings and maintaining the stable outlook on CaixaBank's long-term issuer rating (BBB+) to reflect that potential economic pressures would be balanced by the bank's level of bail-inable debt instruments. The rating confirmations from Fitch, Moody's and S&P Global already took into account their view of the impacts on CaixaBank's credit profile of the completion of the merger by absorption of Bankia.

Merger with Bankia

On 18 September 2020, CaixaBank announced that its Board of Directors had approved the joint merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company). The merger was approved by the shareholders' meetings of CaixaBank and Bankia held on 3 December 2020 and 1 December 2020 respectively and, after, obtaining the required authorisations, the merger was registered with the Commercial Registry of Valencia on 26 March 2021 and, thus, became effective as of that date.

Notwithstanding the above, CaixaBank may be incapable of successfully integrating the business of Bankia from an operational perspective and there could be hidden or unknown liabilities and defects. All of this could impede the benefits identified when drawing up the joint merger project from materialising.

See "*Description of the Issuer – Key events in 2019, 2020 and 2021 – Merger with Bankia*".

(B) Risks contained in CaixaBank Group's Corporate Risk Taxonomy

1. RISKS RELATED TO THE ISSUER'S FINANCIAL ACTIVITY

This category is the most relevant one for CaixaBank. It includes the following risks, sorted by materiality: credit risk and impairment of other assets (jointly considered in this Base Prospectus), actuarial risk, market risk and structural rates risk.

1.1 Risks arising from changes in credit quality and recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. (Credit and impairment of other assets)

CaixaBank considers credit risk as a decrease in the value of the CaixaBank Group's assets due to uncertainty about a customer's or counterparty's ability to meet its obligations to the Group (this includes the risk of a reduction in the value of the CaixaBank Group's equity holdings and non-financial assets (mainly tangible assets such as real estate, intangible assets and tax assets), which in the Corporate Risk Taxonomy of the Group is defined under as the risk of impairment of other assets). Credit risk includes climatic risk defined as the deterioration in the repayment capacity of the Group's debtors as a consequence of the real or expected materialization of physical risks of gradual or abrupt climatic events (on its assets, supply chains, etc.) or of the losses that could generate the transition risks to a low carbon economy (regulatory changes, technological changes, new customer preferences, etc.).

Credit risk is the most significant risk for CaixaBank. The Group is exposed to the credit solvency of its clients and counterparties. It may therefore experience losses in the event of total or partial non-compliance of their credit obligations as a result of a decrease in their credit worthiness and the recoverability of the assets.

Gross loans and advances to customers were EUR 227,406 million as at 31 December 2019, 1.2% higher than at the end of 2018. At the end of the financial year ended 31 December 2020, the amount stood at EUR 243,924 million, up 7.3% in the year, essentially because of the increase of loans to business (+16.6%). The Group's amount of non-performing loans (**NPLs**) was EUR 8,601 million compared to EUR 8,794 million as at 31 December 2019. This implies an overall **NPL ratio** of 3.30% as at 31 December 2020, down 30 basis points in the year.

With regards to Bankia, Gross loans and advances to customers amounted to EUR 124,328¹ million as at 31 December 2020, 3.1% higher than 31 December 2019 (EUR 120,623 million²), mainly due to new ICO-guaranteed loans to businesses. The amount of NPLs as at 31 December 2020 was EUR 6,213 million compared to EUR 6,465 million as at 31 December 2019. As of 31 December 2020, the NPL ratio was 4.75%, compared to 5.04% in December 2019, due to credit growth, effective risk management and sales of portfolios and individually assessed loans.

As at 31 December 2020, **provisions for insolvency risk** raised to EUR 5,755 million compared to EUR 4,863 million as at 31 December 2019. As at 31 December 2020, the **NPL coverage ratio** given this stock of provisions was 67% compared to 55% as at 31 December 2019, with an increase of 12 percentage points.

As for Bankia, as at 31 December 2020 provisions for insolvency risk raised to EUR 3,613 million compared to EUR 3,491 million as at 31 December 2019. Additionally, as at 31 December 2020, the NPL coverage ratio was 58% compared to 54% as of 31 December 2019.

¹ Figure under management criteria.

² Figure under management criteria.

The **gross NPA (non-performing assets) balance**, which encompasses non-performing loans and foreclosed assets available for sale and rent, was EUR 12,571 million as at 31 December 2020 compared to EUR 13,127 million as at 31 December 2019.

The gross NPA balance of Bankia was EUR 8,293 million as of 31 December 2020 compared to EUR 8,350 million as of 31 December 2019.

In terms of **sovereign risk**, the **total exposure to Spanish and Portuguese sovereign debt securities and loans** of the CaixaBank Group (excluding the insurance group) totalled EUR 50,563 million as at 31 December 2020 (EUR 35,024 million on 31 December 2019). The exposure to Italian sovereign securities of the CaixaBank Group stood at EUR 2,642 million as at 31 December 2020 (EUR 3,065 million as at 31 December 2019).

The **risk related to the equity portfolio** in the banking book is the risk associated with the possibility of incurring losses as the result of fluctuations in market prices, disputes among shareholders and/or default on the positions making up the equity portfolio with a medium to long time horizon (for example the Group's stakes in Telefónica, S.A. (**Telefónica**), Erste Group Bank, A.G. (**Erste Group Bank**) and Banco de Fomento de Angola SA). Thus, the Group faces risks derived from any potential acquisitions and divestments as well as the inherent risks to which the investees are exposed, for instance, in their management, business sector, geography and regulatory framework. The exposure and the capital requirements of the equity portfolio totalled EUR 6,717 million and EUR 1,338 million, respectively as of 31 December 2020 (EUR 8,050 million and EUR 1,465 million by year-end 2019), representing 1.7% of total credit risk exposure and 13.0% of total credit capital requirements. Both exposure and capital requirements of the equity portfolio include those of the Group's insurance subsidiary VidaCaixa, given that the insurance business is consolidated by the equity method in the prudential balance sheet according to capital regulation.

1.2 Actuarial Risk or Risk relating to the Insurance Business

Actuarial risk, based on the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 (**Solvency II**), is the risk of loss or adverse change in the value of liabilities undertaken through insurance or pension contracts with customers or employees resulting from a divergence between actuarial variables used for pricing and reserves, and their developments.

Actuarial risk management stems from the regulatory framework set out at European level (Solvency II and the European Insurance and Occupational Pensions Authority (EIOPA)) and the Spanish Directorate General of Insurance and Pension Funds (DGSFP). Therefore, policies and monitoring procedures are settled to oversee the technical evolution of marketed insurance products which are affected by the following risk factors: mortality, longevity, disability, expense and lapse risk in underwriting life contracts and lapse, expense and claims ratio in the lines of business for non-life and health insurance obligations³.

Thus, for each line of business, both policies of underwriting and reinsurance identify different risk parameters for approval, management, measurement, rate-setting and, lastly, to calculate and set the liabilities covering the underwritten contracts. Additionally, general operating procedures are set to control the underwriting process.

The Pillar 1 capital requirements related to the insurance activity of CaixaBank, led by its subsidiary VidaCaixa, are part of the Group's credit capital requirements (equity portfolio risk). However, the insurance business is subject to its own sectorial supervision. According to applicable sectorial regulations, on 31 December 2020 VidaCaixa Group had a Solvency Capital Requirement (**SCR**) coverage ratio of 172%, three percentage points higher than by the end of the previous financial year.

³ In terms of the proportional part of the capital requirements applicable to the participation in SegurCaixa Adeslas.

Out of the EUR 1,381 million net profit attributable to the Group in the 2020 financial year, EUR 888 million (64% thereof) derived from the insurance business, which represented an increase with respect to 2019, where the net profit stood at EUR 1,708 million and EUR 795 million (46.55% thereof) derived from the insurance business.

1.3 Structural rates risk

(a) Changes in interest rates may negatively affect the Group's business (structural interest rate risk)

This risk is defined as the negative impact on the economic value of balance sheet items or on financial income due to changes in the temporary structure of interest rates and their impact on asset and liability instruments and those off the Group's balance sheet not recognised in the trading book.

Possible sources of interest rate risk in the banking book are gap risk⁴, basis risk⁵ and optionality risk⁶. The assets and liabilities subject to structural interest rate risk are all those positions that are sensitive to interest rates in the balance sheet (such as variable interest rate loans and deposits), excluding the calculation of positions of the trading book.

No regulatory (Pillar 1) capital requirements are defined for this risk. At the end of 2020, the net interest income sensitivity of the Group for the interest rates-sensitive balance sheet under a 100 basis points up/down shock was 7.19%/-0.25%⁷. The economic value sensitivity of the Group for the interest rates-sensitive balances sheet as a percentage of the Tier 1 capital was 7.12%/- 6.53%.

(b) Changes in exchange rates may negatively affect the Group's business (Structural exchange rate risk)

The structural exchange rate risk is considered as the potential loss in market value of the balance sheet due to adverse movements in exchange rates. The Group has foreign currency assets and liabilities in its balance sheet because of its commercial activity and shareholdings, in addition to the foreign currency assets and liabilities deriving from the Group's measures to mitigate exchange rate risk.

The equivalent Euro value of all foreign currency assets and liabilities in the CaixaBank Group's balance sheet as at 31 December 2020 was EUR 15,018 million and EUR 8,485 million, respectively, and EUR 16,459 million and EUR 11,367 million, respectively, as at 31 December 2019.

Regulatory capital requirements related to this risk are included within Pillar 1 market risk capital requirements.

⁴ Gap risk refers to the potential adverse effect related to the difference between the timings or regularity in reviewing the instruments sensitive to interest rates, altogether with parallel movements (parallel risk) or different movements per tranches (non-parallel risk) in the interest rate curve.

⁵ Basis risk is created by the imperfect correlation in the evolution of interest risks underlying the different assets and liabilities of the balance sheet of the CaixaBank Group, even in those cases where those assets and liabilities have similar characteristics in terms of repricing or maturity. Basis risk is composed of a structural part (between market rates and administrative rates) and a non-structural part (as a result of the divergent movement between the different reference benchmarks on the market).

⁶ Optionality risk derives from contractual rights of clients and of the CaixaBank Group to modify the original cashflows of certain asset, liability or off-balance sheet transactions and may arise as a result of the conduct of the client (in addition of interest rate levels, it may depend on other factors as the degree of leverage or offers of competitors) or may be activated automatically (in case of the occurrence of certain interest rates events).

⁷ Net interest income sensitivity refers to the prudential scope of consolidation. Under the accounting scope of consolidation, as included in the Group's Consolidated Annual Accounts, sensitivity of the net interest income to a 100 basis points up/down shock is 6.7%/-0.2%.

1.4 *Market risks associated with fluctuations in bond and equity prices and other market factors are inherent in the Group's business. Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses (market risk)*

The Group identifies market risk as the loss of value, with impact on results or solvency, of a portfolio (set of assets and liabilities), due to unfavorable movements in prices or market rates primarily due to fluctuations in interest rates, exchange rates, credit spreads, external factors or prices on the markets where said assets/liabilities are traded.

With regard to the quantification of market risk, in order to standardise risk measurement across the entire trading portfolio, and to produce certain assumptions regarding the extent of changes in market risk factors, the Value-at-Risk methodology is used (VaR: statistical estimate of potential losses from historical data on price fluctuations) with a one-day time horizon and a statistical confidence interval of 99% (i.e. under normal market conditions 99 times out of 100 the actual daily losses will be less than the losses estimated using the VaR model). The consumption of the average one-day VaR at 99% attributable to the various risk factors stood for EUR 2.44 million in 2020 (EUR 1.23 million in 2019). The main of those risk factors are corporate debt spread, interest rates (including sovereign debt credit spread) and share price volatility.

Moreover, market volatility may have an impact on the income statement ("Gains/losses on financial assets and liabilities held for trading, net") due to changes to the Credit Valuation Adjustments (**CVA**), Debit Valuation Adjustments (**DVA**) and Funding Valuation Adjustments (**FVA**). CVA and DVA are added to the valuation of Over The Counter (OTC) derivatives (both for hedge accounting and held for trading) due to the risk associated with the counterparty's and own credit risk exposure, respectively. FVA is an additional valuation adjustment of derivatives of customer transactions that are not perfectly collateralized that includes the funding costs related to the liquidity necessary to perform the transaction.

2. *REPUTATIONAL AND OPERATIONAL RISKS*

The second risk category in terms of materiality comprises, in the first place, reputational risk and, in the second place, operational risk. CaixaBank identifies the following risks within the operational risk category, listed from more to less material: (i) conduct risk; (ii) legal/regulatory risk; (iii) IT risk; (iv) information reliability risk; (v) model risk and (vi) other operational risks. Due to the level of materiality, only conduct, legal/regulatory and information reliability risks are described below.

2.1 *The Group faces the risk of reputational damage, which could lead to loss of trust of some of its stakeholders and could, as a result, materially adversely affect the results of its operations, financial condition or prospects (reputational risk)*

CaixaBank defines reputational risk as the possibility that the Group's competitive edge could be blunted by loss of trust of some of its stakeholders, based on their assessment of actions or omissions, whether real or purported, of the Group, its senior management or governing bodies, or because of related unconsolidated financial institutions going bankrupt (step-in risk).

The risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis. By way of example this includes the risk of disinformation or "fake news", whereby false news is published in relation to a situation or performance.

Throughout 2019 and 2020, the measures related to the management of Environmental, Social & Governance (**ESG**) risks, defined as the risk of a possible reputational or economic loss resulting from failure to integrate ESG aspects in the strategy, in the Group's own performance, in the business (financing, investment and products) and in the support programmes for clients in difficulties or that

activate the economy, especially in times of crisis (mortgage debtors, socially excluded groups, entrepreneurs, etc.). It also includes potential reputational or economic loss resulting from not entirely transparent tax structures, the perception of non-contribution of taxes or the presence of the Group in tax havens or low tax jurisdictions (either on its own or due to its clients).

The Group is also exposed to reputational risk in the case of certain operational events, for instance, in the context of the claim brought against CaixaBank for an alleged breach of anti-money laundering regulations (see "*Description of the Issuer – Litigation*").

Although the Group actively manages reputational risk using its external and internal reputational risk management policies and committees and developing in-house training to mitigate the appearance and effects of reputational risks, establishing protocols to deal with those affected by the Group's actions, or defining crisis and/or contingency plans to be activated if the various risks materialise, should reputational risks arise, this could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2 Operational risk is inherent in the Group's business (Aggregated operational risk)

In regulatory capital regulation, operational risk is defined as the possibility of incurring losses due to inadequacy or failure of internal processes, personnel and internal systems or from unforeseen external events.

As stated above, conduct and legal/regulatory risks are particularly noted.

(a) The Group is exposed to conduct risk

Conduct risk is defined as the Group's risk arising from the application of conduct criteria that run contrary to the interests of its customers and stakeholders or CaixaBank and its employees, or from acts or omissions that are not compliant with the legal or regulatory framework, or with internal policies, codes and rules, or with codes of conduct and ethical and good practice standards, such as CaixaBank's Code of Business Conduct and Ethics. CaixaBank monitors its activity to ensure that the Group delivers positive outcomes to customers and the markets in which the Group operates.

This is particularly relevant in the context of increasingly complex and detailed laws and regulations whose implementation requires a substantial and sophisticated improvement of technical and human resources, such as those related to anti money laundering and data protection, where such acts or omissions as described above or inappropriate judgement in the execution of business activities could have severe consequences, including claims, sanctions, fines and an adverse effect on reputation (see "*Description of the Issuer – Litigation*").

(b) The Group is subject to substantial regulation, as well as regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a material adverse effect on its business, results of operations and financial condition (regulatory risk)

The financial services industry is among the most highly regulated industries in the world. In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. The Group's operations are subject to ongoing regulation and associated regulatory risks, including the effects of changes in laws, regulations, policies and interpretations, in Spain, the EU and the other markets in which it operates. This is particularly the case in the current market environment, which is witnessing increased levels of government and regulatory intervention in the banking sector which is expected to continue for the foreseeable future. This creates significant uncertainty for the Bank and the financial industry in general.

The main regulations which most significantly affect the Group are those related to prudential supervision, bank recovery and resolution, and capital and liquidity requirements which have become increasingly stringent in the past few years (see "*3.2 Increasingly onerous capital requirements constitute one of the Group's main regulatory challenges (Solvency risk)*" and "*3.3 The Group has a continuous demand for liquidity to fund its business activities. The Group may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong (liquidity and funding risk)*").

Regulation has also considerably increased in customer and investor protection, digital and technological matters, taxation and anti-money laundering, among others.

The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still ongoing and some of them have been recently adopted. As a result, the Group may be subject to an increasing incidence or amount of liability or regulatory sanctions and may be required to make greater expenditures and devote additional resources to address potential liability. This could lead to additional changes in the near future and also require the payment of levies, taxes, charges and compliance with other additional regulatory requirements.

Implementation of the relevant procedures, monitoring and other technical and human requirements in relation to recent laws and regulations, such as those related to data protection and anti-money laundering had, and could further have, an impact on the Group's business by increasing its operational and compliance costs and, if not implemented correctly or in case of breaches in the relevant procedures, could lead to legal and regulatory claims and sanctions (see "*(c) The Group is exposed to risk of loss from legal and regulatory claims*" below).

Any legislative or regulatory actions and any required changes to the business operations of the Group resulting from such legislation and regulations, as well as any deficiencies in the Group's compliance with such legislation and regulation, could result in significant loss of revenue, limit the ability of the Group to pursue business opportunities in which the Group might otherwise consider engaging and provide certain products and services, affect the value of assets that it holds, require the Group to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Group or otherwise adversely affect its businesses.

(c) *The Group is exposed to risk of loss from legal and regulatory claims*

The Group is currently and, in the future, may be involved in various claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active (see "*Description of the Issuer - Litigation*").

The Group is party to certain legal proceedings arising from the normal course of its business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain. The Group maintains provisions under the concept "Pending legal issues and tax litigation" that it considers reasonable to cover the obligations that may arise from ongoing lawsuits based on available information, which totalled EUR 332 million as of 31 December 2020 (EUR 394 million as of 31 December 2019). In addition, the Group maintains provisions under the concept "Other Provisions", which totalled EUR 468 million as of 31 December 2020 (EUR 497 million as of 31 December 2019) in order to cover, among others, the losses from agreements not formalised and other risks such as those related with the class action brought by ADICAE (the Association of Banking and Insurance Consumers, **ADICAE**) due to the application of floor clauses in certain mortgage loans.

Regarding Bankia, provisions maintained under "Pending procedural issues and tax litigation" to cover the risks of lawsuits and proceedings arising from the ordinary course of operations, along with other

legal, regulatory and tax risks amounted to EUR 195.9 million as of 31 December 2020 (EUR 224.5 million as of 31 December 2019).

Given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain. However, in view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, the provisions made by the Group or the estimate for maximum risk could prove to be inadequate, and may have to be increased to cover the impact of the different proceedings or to cover additional liabilities, which could lead to higher costs for the Group. This could have a material adverse effect on the Group's results and financial situation.

(d) *Information reliability risk*

Information Reliability Risk is defined as the risk stemming from deficiencies in the accuracy, integrity and criteria of the process used when preparing the data and information necessary to evaluate the financial and equity position of the CaixaBank Group, as well as the information disclosed to market and stakeholders that offers a holistic view of its position in terms of sustainability with the environment and that is directly related to environmental, social and governance aspects (ESG principles).

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include impairment of certain financial assets, the assumptions used to quantify certain provisions and for the actuarial calculation of post-employment benefit liabilities and commitments, the useful life and impairment losses of tangible and intangible assets, the valuation of goodwill and purchase price allocation of business combinations, the fair value of certain unlisted financial assets and liabilities, the recoverability of deferred tax assets and the exchange rate and the inflation rate of countries in which certain subsidiaries operate. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the Group, beyond that anticipated or provided for, which could have an adverse effect on the Group's business, financial condition and results of operations.

Observable market prices are not available for many of the financial assets and liabilities that the Group holds at fair value and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Group's financial statements.

The further development of standards and interpretations under IFRS could also significantly affect the results of operations, financial condition and prospects of the Group.

In addition, although the merger with Bankia has already been executed and is effective, no financial information on the consolidated group resulting from the merger is available nor pro forma consolidated financial information has been prepared for the purposes of this Base Prospectus. As a result, there is limited financial information on which to evaluate the business of the consolidated group resulting from the merger. Consequently, it may be difficult to evaluate its current business and predict its future performance. The historical consolidated financial information of CaixaBank and of Bankia either contained in this Base Prospectus or publicly available may not reflect what the business, financial condition, results of operations and cash flows of the consolidated group resulting from the merger would have been had the merger been effective during the periods presented or what the business, financial condition, results of operations and cash flows of the consolidated group resulting from the merger will be in the future.

3. RISKS RELATED TO THE BUSINESS MODEL

Under this category CaixaBank identifies (sorted by materiality) business risk, solvency risk and liquidity risk.

3.1 *Business profitability, growth prospects and other targets may be adversely affected by factors beyond the Group's control (Business risk)*

The Group is exposed to business profitability risk which implies obtaining results either lower than market expectations or below the Group's internal targets, preventing the Group from reaching a level of sustainable returns higher than the cost of equity.

As at 31 December 2020, the Group's average yield measured as the Return on Tangible Equity (ROTE), was 6.1% compared to 7.7% as at 31 December 2019.

Bankia's ROTE as of 31 December 2020 was 1.9% compared to 4.3% as of December 2019.

3.2 *Increasingly onerous capital requirements constitute one of the Group's main regulatory challenges (Solvency risk)*

Solvency risk corresponds to CaixaBank's potential restriction to adapt its amount of regulatory own funds to capital requirements or to a change to its risk profile. The Issuer and the Group are subject to certain capital, liquidity and funding requirements (as described in the section "*Capital and Eligible Liabilities Requirements*" and the risk factor "*3.3 The Group has a continuous demand for liquidity to fund its business activities. The Group may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong (liquidity and funding risk)*" below).

These and other regulatory requirements, standards or recommendations may limit the Issuer's ability to manage its balance sheet and capital resources effectively or to access funding on more commercially acceptable terms, for example by requiring it to issue additional securities that qualify as own funds or eligible liabilities, to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, as described in the section "*Capital and Eligible Liabilities Requirements*", failure by the Issuer to comply with certain of the existing regulatory requirements could result in the imposition of administrative actions or sanctions, such as prohibitions or restrictions on making "discretionary payments" (which includes distributions relating to Additional Tier 1 capital instruments), further "Pillar 2" requirements or the adoption of any early intervention or, ultimately, resolution measures by resolution authorities, which, in turn, may have a material adverse effect on the Group's business, financial condition and results of operations.

Although the merger with Bankia has already been executed and is effective, no information on the regulatory own funds or eligible liabilities position of the entity and consolidated group resulting from the merger is available. Historical information of CaixaBank and of Bankia on their regulatory own funds and eligible liabilities position either contained in this Base Prospectus or publicly available may not reflect what that position of the entity and consolidated group resulting from the merger would have been had the merger been effective during the periods presented.

Moreover, it should not be disregarded that new and more demanding additional regulatory requirements, standards or recommendations may be applied in the future. In this regard, it should be noted that no update of the regulatory requirements (neither capital requirements nor eligible liabilities) of the Issuer and the Group have been received after the merger became effective.

All the applicable regulations and the approval of any other regulatory requirements could have an adverse effect on the Group's activities and operations.

3.3 *The Group has a continuous demand for liquidity to fund its business activities. The Group may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong (liquidity and funding risk)*

Liquidity and funding risks refer to the insufficiency of liquid assets or limited access to financial markets to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.

The financing obtained from the European Central Bank (ECB) at 31 December 2020 amounted to EUR 49,725 million, corresponding to TLTRO III (Targeted Longer-Term Refinancing Operations III). The balance drawn increased by EUR 36,791 million in the year due to the anticipated return of EUR 3,909 million of TLTRO II and drawing EUR 40,700 million of TLTRO III. As of 31 December 2019 the balance drawn through various monetary policy instruments was EUR 12,934 million. Similarly, the Group maintains issuance programmes to facilitate the issuance of short-term and medium-term securities to the market, as well as access to interbank and repo funding as well as to Central Counterparty Clearing Houses.

The financing obtained by Bankia from the ECB through various TLTRO programmes at 31 December 2020 amounted to EUR 22,919 million, an additional EUR 9,168 million as compared to the outstanding amount at 31 December 2019 of EUR 13,751 million.

As at 31 December 2020 the Group's total liquid assets⁸ stood at EUR 114,451 million EUR 95,367 million of which were HQLA (High Quality Liquidity Asset). The corresponding figures as at 31 December 2019 were EUR 89,427 million and EUR 55,017 million, respectively.

As at 31 December 2020 Bankia's total liquid⁹ assets stood at EUR 35,048 million, EUR 19,050 million of which correspond to available high liquid assets (after considering ECB haircuts). The corresponding figures as at 31 December 2019 were EUR 33,117 million and EUR 15,538 million, respectively.

The CaixaBank's average¹⁰ Liquidity Coverage Ratio (LCR)¹¹ as at 31 December 2020 was 248% (186% as at 31 December 2019), above the 100% minimum regulatory threshold. The Net Stable Funding Ratio (NSFR)¹² was 145% as at 31 December 2020, 129% as at 31 December 2019, with a regulatory minimum level of 100% from June 2021.

Bankia's LCR as at 31 December 2020 was 195% (204% as at 31 December 2019). The NSFR¹³ was 129% as at 31 December 2020, 124% as at 31 December 2019.

⁸ Liquid assets calculated as the sum of HQLAs plus the undrawn committed facilities granted by the ECB non-eligible as HQLA.

⁹ Liquid assets calculated as the sum of i) Treasury account and deposit facility with the ECB (where cash and central bank accounts are reduced by minimum reserve requirements); ii) the undrawn committed facilities granted by the ECB; and iii) the market value of available high liquid assets after considering ECB haircuts

¹⁰ Average of the last 12 months.

¹¹ Regulatory quantitative liquidity standard to ensure that banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period (combining both a financial system and a name crisis).

¹² Regulatory balance-sheet structure ratio which measures the relationship between the amount of stable funding available (defined as the amount of own and third-party funding expected to be reliable for a one-year period) and the amount of stable funding required (given the liquidity characteristics and residual maturities of its assets and balance sheet exposures).

Calculated under the criteria set forth in Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, which enters into force in June 2021.

¹³ Calculated under the Bank for International Settlements NSFR Common Disclosure Template.

(C) Risk factor of the Issuer's credit ratings

The risks assumed by the Bank may have an adverse effect on the Bank's credit ratings. Moreover, any reduction in the Bank's credit rating could increase the Group's cost of funding, could limit its access to capital markets and adversely affect the Group's ability to sell or market some of its products, engage in business transactions (particularly longer-term) and derivatives transactions. This, in turn, could reduce the Group's liquidity and have a material adverse effect on its net results and financial condition.

As at the date hereof, the Bank has been assigned the following credit ratings:

Agency	Review date	Short-term rating	Long-term rating	Outlook
Fitch	29 September 2020	F2	BBB+	Negative
S&P Global	22 April 2021	A-2	BBB+	Stable
DBRS	29 March 2021	R-1 (low)	A	Stable
Moody's	22 September 2020	P-2	Baa1	Stable

It should be emphasised that in the case of Fitch, the outlook on CaixaBank's long-term issuer rating was revised from stable to negative in March 2020 to reflect that the economic fallout from the COVID-19 crisis represents a medium-term risk to the operating environment of Spanish banks as well as to their stand-alone credit profiles.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Terms used in this section but not defined herein or indicated to be defined elsewhere have the meanings given to them in the sections headed "*Capital and Eligible Liabilities Requirements*" and "*Loss Absorbing Powers*".

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features including factors which may occur in relation to any Notes:

- The Notes may be redeemed prior to maturity at the Issuer's option for taxation reasons or upon the occurrence of a Capital Event or an Eligible Liabilities Event, subject to certain conditions. If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return***

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Spain or any political subdivision or any authority thereof or therein having power to tax (a **Tax Jurisdiction**), the Issuer may, at its option, redeem all outstanding Notes in whole, but not in part, in accordance with the Terms and Conditions of the Notes. The Notes may be also redeemed for taxation reasons if (i) the Issuer would not be entitled to claim a deduction in computing taxation liabilities in any Tax Jurisdiction in respect of any payment of interest to be made on the Notes on the next payment date due under the Notes or the value of such deduction to the Issuer would be materially reduced or (ii) if the applicable tax treatment of the Notes is materially affected. In each case, the Issuer may only redeem such Notes if such additional payment or inability to claim a tax deduction (as applicable) occurs or the applicable tax treatment of

the Notes is materially affected as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and, in the case of Ordinary Senior Notes eligible to comply with MREL Requirements, Senior Non-Preferred Notes and Subordinated Notes only if so permitted by the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) then in force and subject to the permission of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), as further described in Condition 5.2 (*Redemption for tax reasons*).

Furthermore, if a Capital Event occurs as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law, Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the Issuer may redeem all, and not some only, of any Series of the Tier 2 Subordinated Notes subject to such redemption being permitted by the Applicable Banking Regulations then in force and subject to the permission of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), as further described in Condition 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*).

If an Eligible Liabilities Event occurs as a result of a change (or any pending change which the competent authority considers sufficiently certain) in Spanish law or Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, Ordinary Senior Notes where the Eligible Liabilities Event has been specified as applicable in the relevant Final Terms, Senior Non-Preferred Notes and Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) then in force, and subject to the prior permission of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), as further described in Condition 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*). Tier 2 Subordinated Notes where the Eligible Liabilities Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to an Eligible Liabilities Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

The EU Banking Reforms provide that the redemption of eligible liabilities instruments prior to the date of their contractual maturity is subject to the prior permission of the resolution authority. According to the EU Banking Reforms, such permission will be given only if one of the following conditions is met:

- (a) before or at the same time of such redemption, the institution replaces the eligible liabilities instruments with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the institution; or
- (b) the institution has demonstrated to the satisfaction of the resolution authority that the own funds and eligible liabilities of the institution would, following such redemption, exceed the requirements laid down in the CRR, the CRD 4 and the BRRD by a margin that the resolution authority in agreement with the competent authority considers necessary; or
- (c) the institution has demonstrated to the satisfaction of the resolution authority that the partial or full replacement of eligible liabilities with own funds instruments is necessary to ensure

compliance with the own funds requirements laid down in CRR and in CRD 4 for continuing authorisation.

Likewise, the EU Banking Reforms provide that the redemption of Tier 2 instruments is subject to the prior permission of the competent authority. According to the EU Banking Reforms, such permission will be given only if, either of the following conditions is met:

- (a) before or at the same time of such redemption the institution replaces the Tier 2 instruments with own funds instruments of an equal or higher quality at terms that are sustainable for the income capacity of the institution; or
- (b) the institution has demonstrated to the satisfaction of the competent authority that the own funds and eligible liabilities of the institution would, following such redemption, exceed the requirements laid down in the CRR, CRD 4 and the BRRD by a margin that the competent authority may consider necessary.

In addition, pursuant to article 78.4 of CRR, for the redemption of Tier 2 instruments during the five years following their date of issuance the permission of the competent authority may be given only if, besides the above mentioned conditions, one of the following is met.

- (a) 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 relevant Tier 2 instruments; or
- (b) in the case of redemption for tax reasons, 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 relevant Tier 2 instruments; or
- (c) before or at the same time of such redemption, the institution replaces the relevant Tier 2 instruments 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.

It is not possible to predict whether or not any further change in the laws or regulations of Spain or the application or interpretation thereof, or any of the other events referred to above, will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Notes, and if so whether or not the Issuer will elect to exercise such option to redeem the Notes or, in the case where any prior permission of the Regulator and/or the Relevant Resolution Authority for such redemption is required, whether such permission will be given. There can be no assurances that, in the event of any such early redemption, Noteholders will be able to reinvest the proceeds at a rate that is equal to the return on the Notes.

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

The Issuer may redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an

effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

2. *The qualification of Senior Non-Preferred Notes and certain Ordinary Senior Notes as Eligible Liabilities and the full qualification to comply with MREL Requirements of the Subordinated Notes is subject to uncertainty*

Senior Non-Preferred Notes and certain Ordinary Senior Notes, may be intended to be Eligible Liabilities (as defined in the Conditions) under the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations). Likewise, Subordinated Notes may be intended to fully qualify to comply with MREL Requirements (as defined in the Conditions). However, the implementation in the Kingdom of Spain of the EU Banking Reforms (as defined in the Conditions) is pending and there is uncertainty as to how they will be interpreted and applied and the Issuer cannot provide any assurance that Subordinated Notes, Senior Non-Preferred Notes and certain Ordinary Senior Notes will or may be (or thereafter remain) Eligible Liabilities nor that the Subordinated Notes will fully qualify or may fully qualify (or thereafter remain fully qualifying) to comply with MREL Requirements.

If for any reason Senior Non-Preferred Notes and Ordinary Senior Notes where the Eligible Liabilities Event has been specified as applicable in the relevant Final Terms are not Eligible Liabilities or, in the case of the Subordinated Notes, do not fully qualify to comply with MREL Requirements, or if they initially are Eligible Liabilities or fully comply with the MREL Requirements, as applicable, and subsequently become ineligible or do not fully comply with the MREL Requirements, as applicable, due to a change in Spain law or Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), then an Eligible Liabilities Event (as defined in the Conditions) will occur, with the consequences indicated in the Conditions (see "*The Notes may be redeemed prior to maturity at the Issuer's option for taxation reasons or upon the occurrence of a Capital Event or an Eligible Liabilities Event, subject to certain conditions. If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*").

3. *The Notes provide for limited events of default unless in the case of Ordinary Senior Notes additional events of default apply*

Without prejudice to the provisions of the last paragraph below, the Terms and Conditions of the Notes do not provide for any events of default, except in the case that an order is made by any competent court or resolution passed for the winding-up or liquidation of the Issuer. Accordingly, in the event that any payment on the Notes is not made when due, each Noteholder will have a claim only for amounts then due and payable on their Notes but will have no right to accelerate such Notes unless proceedings for the winding-up or liquidation of the Issuer have been instigated.

Notwithstanding the above and with respect to Ordinary Senior Notes not eligible to comply with MREL Requirements, if the Bank so decides by applying additional events of default in the Final Terms, each Noteholder will have an individual acceleration right in case certain events occur (including failure of payment on the Notes when due and cross default).

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

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of Subordinated Notes and Senior Non-Preferred Notes applies only to payments of interest due and paid under such Notes and not to payments of principal. Equally, if

specified in the relevant Final Terms, equivalent limitation on the Issuer's obligation to pay additional amounts with respect of principal may also apply to Ordinary Senior Notes. As such, the Issuer would not be required to pay any additional amounts under the terms of such Notes to the extent that any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to payments of principal under such Notes, holders of such Notes may receive less than the full amount due under the relevant Notes, and the market value of the relevant Notes may be adversely affected. Holders of such Notes should note that principal for these purposes will include any payments of premium.

5. *Conversion of the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest rate, and the conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing market rates on those Notes and could affect the market value of an investment in the relevant Notes.

6. *The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the market value of Fixed Reset Notes*

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Reset Reference Rate and the Reset Margin as determined by the Calculation Agent on the relevant Reset Determination Date. The First Reset Rate or any Subsequent Reset Rate for any Reset Period could be less than the Initial Interest Rate or the Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes.

7. *The application of the net proceeds of Green, Social or Sustainability Notes as described in "Use of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria*

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply an amount equal to the whole or a part of the net proceeds of the issue of those Notes (as at the date of issuance of such Notes) into Eligible Green Projects and/or Eligible Social Projects (such Notes being Green, Social or Sustainability Notes), as described in the Issuer's Sustainable Development Goals Framework, published on the website of the Issuer (see "Use of Proceeds"). In case of asset divestment or if a project no longer meets the Eligibility Criteria, the Issuer intends to use the net proceeds to finance other Eligible Green Projects and/or Eligible Social Projects which are compliant with the Eligibility Criteria of the Issuer's Sustainable Development Goals Framework. The Issuer intends to invest the balance of net proceeds from the Green, Social, or Sustainability Notes issued unallocated to Eligible Projects according to the Issuer's general liquidity guidelines for short-term investments.

Prospective investors should have regard to the information set out in the Issuer's Sustainable Development Goals Framework and in the applicable Final Terms regarding the use of the net proceeds of those Green, Social or Sustainability Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability

Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for any eligible projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the **EU Taxonomy**) and the EU Taxonomy Climate Delegated Act adopted by the EU Commission on 21 April 2021 (jointly, the **EU Taxonomy Regulation**)).

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. The EU Taxonomy Regulation establishes a basis for the determination of such a definition in the EU. However, the EU Taxonomy remains subject to the implementation of delegated regulations by the European Commission on technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. Therefore, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any eligible projects will meet any or all investor expectations regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any eligible projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green, Social or Sustainability Notes and in particular with any eligible projects to fulfil any environmental, social, sustainability and/or other criteria. Any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Green, Social or Sustainability Notes.

In the event that any Green, Social or Sustainability Notes are listed or admitted to trading on any dedicated "green", "environmental", "social" or "sustainable" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. While it is the intention of the Issuer to apply the net proceeds of any Green, Social or Sustainability Notes and obtain and publish the relevant reports, assessments, opinions and certifications, there can be no assurance that the Issuer will be able to do this. Nor can there be any assurance that any eligible projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure to apply the net proceeds of any issue of Green, Social or Sustainability Notes for any eligible projects or to obtain and publish any such reports, assessments, opinions and certifications or the fact that the maturity of an eligible green or social asset or project may not match the minimum duration of any Green, Social or Sustainability Notes, will not (i) constitute an event of default under the relevant Green, Social or Sustainability Notes, or (ii) give rise to any other claim or right (including, for the avoidance of doubt, the right to accelerate the Notes) of a holder of such Green, Social or Sustainability Notes against the Issuer, or (iii) lead to an obligation of the Issuer to redeem

such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes, or (iv) affect the regulatory treatment of such Notes as Tier 2 capital or eligible liabilities for the purposes of MREL (as applicable), if such Notes are also Subordinated Notes, Senior Non-Preferred Notes or Ordinary Senior Notes eligible to comply with MREL Requirements. For the avoidance of doubt, payments of principal and interest (as the case may be) on the relevant Green, Social or Sustainability Notes shall not depend on the performance of the relevant project nor have any preferred right against such assets. Finally, as further explained in the section headed "*Loss Absorbing Powers*", Green, Social or Sustainability Notes will be subject to the bail-in tool and to write down and conversion powers, and in general to the powers that may be exercised by the Relevant Resolution Authority, to the same extent and with the same ranking as any other Note which is not a Green, Social or Sustainability Note (see "*Risks Related to Early Intervention and Resolution – 12. The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Noteholders under, and the value of, any Notes*").

Likewise, Green, Social and Sustainability Notes, as any other Notes, will be fully subject to the application of CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments and, as such, proceeds from Green, Social or Sustainability Notes qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer regardless of their “green”, “social” or “sustainable” label. Additionally, their labelling as Green, Social or Sustainability Notes (i) will not affect the regulatory treatment of such Notes as Tier 2 capital or eligible liabilities for the purposes of MREL (as applicable), if such Notes are also Subordinated Notes, Senior Non-Preferred Notes or Ordinary Senior Notes eligible to comply with MREL Requirements; and (ii) will not have any impact on their status as indicated in Condition 2 of the Terms and Conditions of the Notes.

The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Green, Social or Sustainability Notes no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Green, Social or Sustainability Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Dealers have not undertaken, nor are responsible for, any assessment of the Eligibility Criteria, any verification of whether the Green, Social or Sustainability Notes meet the Eligibility Criteria, or the monitoring of the use of proceeds of the Green, Social or Sustainability Notes.

8. *Conflicts of interest between the Calculation Agent and Noteholders*

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including a Dealer acting as a Calculation Agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes which may influence the amounts that can be received by the Noteholders during the term of the Notes and upon their redemption.

Risks relating to Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if

changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate being lower than the relevant margin.

9. ***The value of the return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks***

Reference rates and indices such as EURIBOR or LIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" (each a **Benchmark** and together, the **Benchmarks**), to which interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reforms. This has resulted in regulatory reform and changes to existing Benchmarks. Such reform of Benchmarks includes the EU Benchmarks Regulation and Regulation (EU) 2016/1011 (as amended, including by Regulation (EU) 2021/168) as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the **UK Benchmarks Regulation**, and together with the EU Benchmarks Regulation, the **Benchmarks Regulations**) which apply to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU and the UK, respectively. Among other things, the EU Benchmarks Regulation and UK Benchmarks Regulation (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based or UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU and UK supervised entities, as applicable, (such as the Issuer) of Benchmarks of administrators that are not authorised or registered (or, if non-EU based or UK-based, as applicable, not deemed equivalent or recognised or endorsed).

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

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such Benchmarks. The UK Financial Conduct Authority (the **FCA**) has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced that all LIBOR settings will either cease to be provided by any administrator or will no longer be representative (a) immediately after 31 December 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and (b) immediately after 30 June 2023, in the case of the remaining US dollar settings. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk free rates has been mandated with implementing a broad-based transition to SONIA over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" to serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (**€STR**) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark. The euro risk free-rate working group for the euro area has also published a set of guiding

principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR or EURIBOR to perform differently than they have done in the past and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain Benchmarks: (i) discouraging market participants from continuing to administer or contribute to a Benchmark; (ii) triggering changes in the rules or methodologies used in the Benchmark; or (iii) leading to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value or liquidity of, and return on, any Notes linked to, referencing, or otherwise dependent (in whole or in part upon), a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulations reforms in making any investment decision with respect to any Notes linked to, referencing, or otherwise dependent (in whole or in part upon), a Benchmark.

10. *Fallback arrangements in respect of Benchmarks may have a material adverse effect on the value and liquidity of and return on affected Notes*

Investors should be aware that in the case of Floating Rate Notes and Fixed Reset Notes, the Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published Benchmark, including an inter-bank offered rate such as LIBOR, EURIBOR or other relevant reference rates (other than SOFR) ceases to exist or be published or another Benchmark Event (as defined in the Terms and Conditions of the Notes) occurs. These fallback arrangements include the possibility that the Rate of Interest could be determined by the Issuer and an Independent Adviser (acting in good faith and in a commercially reasonable manner), without any separate consent or approval of the Noteholders, by reference to a Successor Rate or an Alternative Rate and that an Adjustment Spread may be applied to such Successor Rate or Alternative Rate, together with the making of certain Benchmark Amendments to the Terms and Conditions of such Notes. In certain circumstances, the Adjustment Spread is the spread, quantum, formula or methodology which the Issuer determines to be appropriate to reduce or eliminate to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Noteholders as a result of the replacement of the relevant benchmark or screen rate (as applicable) originally specified with the Successor Rate or the Alternative Rate (as the case may be). However, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders. The use of a Successor Rate or an Alternative Rate may result in interest payments that are lower than, or otherwise do not correlate over time with, the payments that could have been made on the Notes if the relevant Benchmark continued to be available in its current form.

Further, no Successor Rate, Alternative Rate or Adjustment Spread may be adopted, nor any other amendment to the Terms and Conditions of any Series of Notes may be made to effect any Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Notes as Tier 2 capital or eligible liabilities for the purposes of MREL, in each case of the Issuer or the Group, as applicable, or could reasonably result in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period or Reset Period (as the case may be) may result in the Rate of Interest for the last

preceding Interest Period or Reset Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page or, in the case of Fixed Reset Notes, the application of the Reset Rate for a preceding Reset Period or the initial Rate of Interest applicable to such Notes on the Interest Commencement Date. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value or liquidity of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Fixed Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Fixed Reset Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes or Fixed Reset Notes.

11. *SONIA and SOFR both have a limited history, the relevant administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR, the market continues to develop in relation to SONIA and SOFR as a reference rate for Floating Rate Notes, investors may not be able to estimate reliably the amount of interest which will be payable on the relevant Notes and any failure of SOFR to gain market acceptance could adversely affect Noteholders*

Where the relevant Final Terms for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to SONIA or SOFR, the Rate of Interest will be determined by reference to Compounded Daily SONIA, Compounded Daily SONIA Index, Weighted Average SONIA, Compounded Daily SOFR (including on the basis of the SOFR Index published on the NY Federal Reserve's Website) or SOFR Arithmetic Mean. In each case such rate will differ from the relevant LIBOR or EURIBOR rate in a number of material respects, including (without limitation) that a compounded daily rate or weighted average rate is a backwards-looking, risk-free overnight rate, and a single daily rate is a risk-free overnight non-term rate, whereas LIBOR and EURIBOR are expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR, EURIBOR, SONIA and SOFR may behave materially differently as interest reference rates for Notes issued under the Programme.

The market continues to develop in relation to SONIA and SOFR as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA or SOFR, including term SONIA and term SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term). The development of SONIA and SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA and SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of SONIA or SOFR as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA. Publication of such reference rates has a limited history. The future performance of SONIA or SOFR may therefore be difficult to predict based on the limited historical performance. The level of SONIA or SOFR during the term of the Notes may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA or SOFR such as correlations, may change in the future.

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Conditions as applicable to the Notes. Furthermore, the Issuer may, in future, issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SONIA or SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA or SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing any such rate.

Furthermore, the Rate of Interest is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based Notes, if the Notes become due and payable under the Conditions, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

To the extent the SONIA or SOFR rate is not published, the applicable rate to be used to calculate the Rate of Interest on Notes referencing SONIA or SOFR, as applicable, will be determined using the fallback provisions set out in the Conditions which apply specifically to Notes referencing SONIA or SOFR and are distinct to those applying to other types of Notes. Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if the relevant SONIA or SOFR rate had been so published in its current form. In addition, use of the fallback provisions may result in the effective application of a fixed rate of interest to the Notes.

The Bank of England (or a successor), as administrator of SONIA, and the Federal Reserve Bank of New York (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

Holders of Notes that pay a floating rate of interest that references SOFR are exposed to the risk that such rate may not be widely accepted in the market. As a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR to be a suitable substitute or successor for all of the purposes for which LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen its market acceptance. Any failure of SOFR to gain or maintain market acceptance could adversely affect the return on, value of and market for Notes that pay a floating rate of interest referencing SOFR.

Risks Related to Early Intervention and Resolution

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

As further explained in the section headed "*Loss Absorbing Powers*", the Notes may be subject to the bail-in tool (the Spanish Bail-in Power, as defined therein) and, in the case of the Tier 2 Subordinated Notes, and pursuant to the BRRD 2 (pending implementation in Spain) and the SRM Regulation 2, Ordinary Senior Notes, Subordinated Notes and Senior Non-Preferred Notes that qualify as eligible liabilities to the write down and conversion powers (the Non-Viability Loss Absorption, as defined therein) contemplated in article 59 of BRRD and in general to the powers that may be exercised by the Relevant Resolution Authority (as defined therein) under 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 (the **SRM Regulation**).

To the extent that any resulting treatment of Noteholders pursuant to the exercise of the Loss Absorbing Power is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a Noteholder may have a right to compensation under the BRRD and the SRM Regulation based on an independent valuation of the institution, in accordance with Article 10 of RD 1012/2015 and the SRM Regulation. Any such compensation, together with any other compensation provided by any applicable banking regulations (including, among other such compensation, in accordance with Article 36.5 of Law 11/2015) is unlikely to compensate that Noteholder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes.

The powers set out in the BRRD as implemented through Law 11/2015, RD 1012/2015 and the SRM Regulation will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Pursuant to Law 11/2015, Noteholders may be subject to, among other things, on any application of the Spanish Bail-in-Power a write-down (including to zero) or conversion into equity or other securities or obligations of amounts due under such Notes and, in the case of the Tier 2 Subordinated Notes, may be subject to any Non-Viability Loss Absorption. The exercise of any such powers may result in such Noteholders losing some or all of their investment or otherwise having their rights under such Notes adversely affected. For example, the Spanish Bail-in Power may be exercised in such a manner as to result in Noteholders receiving a different security, which may be worth significantly less than the Notes. Moreover, the exercise of the Spanish Bail-in Power with respect to the Notes or the taking by an authority of any other action, or any suggestion that the exercise or taking of any such action may happen, could materially adversely affect the rights of Noteholders, the market price or value or trading behaviour of any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes. Furthermore, the exercise of the Spanish Bail-in Power and any Non-Viability Loss Absorption by the Relevant Resolution Authority with respect to the Notes is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the Issuer's control. In addition, as the Relevant Resolution Authority will retain an element of discretion, Noteholders may not be able to refer to publicly available criteria in order to anticipate any potential exercise of any such Spanish Bail-in Power and any Non-Viability Loss Absorption. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any such powers by the Relevant Resolution Authority may occur.

This uncertainty may adversely affect the value of the Notes. The price and trading behaviour of the Notes may be affected by the threat of a possible exercise of any power under Law 11/2015 (including any early intervention measure before 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 power without providing any advance notice to the Noteholders.

13. *Noteholders will not be able to exercise their rights on an event of default in the event of the adoption of any early intervention, restructuring or resolution measure under Law 11/2015 and the SRM Regulation*

The Issuer may be subject to a procedure of early intervention, restructuring or resolution pursuant to the BRRD as implemented through Law 11/2015 and RD 1012/2015, and the SRM Regulation if the Issuer or its group of consolidated credit entities is in breach (or due, among other things, to a rapidly deteriorating financial condition, it is likely in the near future to be in breach) of applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls or if the conditions for resolution referred to above are met (see "*Risks Related to Early Intervention and Resolution – 12. The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Noteholders under, and the value of, any Notes*").

Pursuant to Law 11/2015 the adoption of any early intervention, restructuring or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 11/2015.

Any enforcement by a Noteholder of its rights under the Notes upon the occurrence of an Event of Default following the adoption of any early intervention or any resolution procedure will, therefore, be subject to the relevant provisions of the BRRD, Law 11/2015 and RD 1012/2015 and the SRM Regulation in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to above (see "*Risks Related to Early Intervention and Resolution – 12. The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Noteholders under, and the value of, any Notes*"). Any claims on the occurrence of an Event of Default will consequently be limited by the application of any measures pursuant to the provisions of Law 11/2015 and RD 1012/2015 and the SRM Regulation. There can be no assurance that the taking of any such action would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and the enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default may be limited in these circumstances.

Risks applicable to Senior Notes

14. *Claims of Noteholders under Senior Notes are effectively junior to those of certain other creditors and claims of Noteholders under Senior Non-Preferred Notes are further junior to those of other senior creditors*

Senior Notes are unsecured and unsubordinated obligations of the Issuer. Upon the insolvency (*concurso*) of the Issuer, in accordance with the Insolvency Law and Additional Provision 14.2 of Law 11/2015 (but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise)), the payment obligations of the Issuer under the Senior Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 281 of the Insolvency Law), will rank: (a) in the case of Ordinary Senior Notes: (i) senior to (A) any Senior Non-Preferred Obligations (as defined in the Terms and Conditions of the Notes) and (B) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281 of the

Insolvency Law (or equivalent legal provision which replaces it in the future); and (ii) *pari passu* among themselves and with any other Senior Preferred Obligations (as defined in the Terms and Conditions of the Notes); and (b) in the case of Senior Non-Preferred Notes: (i) senior to any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law (or equivalent legal provision which replaces it in the future); (ii) *pari passu* among themselves and with any other Senior Non-Preferred Obligations and (iii) junior to any Senior Preferred Obligations.

Senior Notes rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*) (including, without limitation, any deposits for the purposes of Additional Provision 14.1° of Law 11/2015) which shall be paid in full before ordinary credits. In addition, Senior Non-Preferred Notes rank behind any other ordinary claims (*créditos ordinarios*) against the Issuer, including without limitation, the Issuer's Senior Preferred Obligations.

In addition, the payment obligations of the Issuer in respect of interest accrued but unpaid under the Senior Notes as of the commencement of any insolvency procedure in respect of the Issuer will constitute subordinated claims (*créditos subordinados*) ranking in accordance with the provisions of Article 281.1.3° of the Insolvency Law and no further interest shall accrue from the date of the declaration of insolvency of the Issuer.

Therefore, the Senior Notes will be effectively subordinated to all of the Issuer's secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other obligations that rank senior under the Spanish Law.

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

The Ministry of Economic Affairs and Digital Transformation published in July 2020 a draft bill for the implementation of BRRD 2 in Spain (the **BRRD 2 Draft Bill**) amending, among others, Law 11/2015. Among other changes, according to BRRD 2 Draft Bill bank deposits (mainly, non-eligible deposits and deposits of corporates other than those contemplated under Additional Provision 14.1° of Law 11/2015) which as of the date of this Base Prospectus do not constitute credits with a privilege (*créditos privilegiados*), would be considered credits with a privilege (*créditos privilegiados*) and, in the case of insolvency of the Issuer, would rank senior to Ordinary Senior Notes. It is uncertain when the BRRD 2 Draft Bill will be adopted and on which terms.

Risks applicable to Subordinated Notes

15. *An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency or resolution*

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated obligations (*créditos subordinados*) of the Issuer and will rank junior in priority of payment to all unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any Senior Non-Preferred Obligations (as defined in the Conditions)). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is an enhanced risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become (i) subject to resolution under the BRRD (as implemented through Law 11/2015 and RD 1012/2015) and the SRM Regulation and the Subordinated Notes become subject to the application of the Spanish Bail-in Power (including, in the case of Tier 2 Subordinated Notes, Non-Viability Loss Absorption) or (ii) insolvent.

In the case of any exercise of the Spanish Bail-in Power by the Relevant Resolution Authority, the sequence of any resulting write-down or conversion of the Notes under Article 48 of the BRRD and Article 48 of Law 11/2015 is described in the section headed "*Loss Absorbing Powers*".

In an insolvency scenario, after payment in full of unsubordinated and unsecured claims (*créditos ordinarios*), (including any senior non-preferred claims (*créditos ordinarios no preferentes*)) but before distributions to shareholders, under Article 281 of the Insolvency Law read in conjunction with Additional Provision 14.3° of Law 11/2015, the Issuer will meet subordinated claims after payments in full of unsubordinated claims but before distributions to shareholders, in the following order and pro-rata within each class:

- (a) late or incorrect claims;
- (b) contractually subordinated liabilities (firstly, those that do not qualify as Additional Tier 1 or Tier 2 instruments, which is expected to be the case with Senior Subordinated Notes, secondly, those that qualify as Tier 2 instruments, which is expected to be the case with Tier 2 Subordinated Notes, and thirdly, Additional Tier 1 instruments);
- (c) interest (including accrued and unpaid interest due on the Notes);
- (d) fines;
- (e) claims of creditors which are specially related to the Issuer as provided for under the Insolvency Law;
- (f) detrimental claims against the Issuer where a Spanish Court has determined that the relevant creditor has acted in bad faith (*rescisión concursal*); and
- (g) credits deriving from contracts with bilateral obligations, corresponding to the Issuer's counterparty, or to the creditor, in case of restatement of financing agreements or of agreements for the acquisition of assets with a price to be paid in the future, when a judge considers, with a prior report of the insolvency administrators, that the creditor repeatedly impedes the fulfilment of the contract against the interest of the insolvency.

The BRRD 2 Draft Bill contains, among others, certain amendments to Additional Provision 14 of Law 11/2015 which would affect the status of the contractually subordinated obligations of credit institutions, such as the Subordinated Notes. If the BRRD 2 Draft Bill is adopted as currently drafted, in the case of insolvency of the Issuer, payment obligations on account of principal of Subordinated Notes will be further subordinated and will rank junior to any claims in respect of other subordinated obligations of the Issuer under Article 281 of the Insolvency Law and, consequently, will rank after claims referred to in limb (g) in the paragraph above. As at the date of this Base Prospectus it is uncertain when the BRRD 2 Draft Bill will be adopted and on which terms.

Furthermore, the BRRD 2 Draft Bill does not contain specific provisions transposing Article 48(7) of BRRD 2. Currently, Additional Provision 14.3° of Law 11/2015 provides for the ranking of contractual subordinated instruments according to their nature as capital instruments (as referred to under limb (b) above). According to Article 48(7) of BRRD 2 if an instrument is only partly recognised as an own funds item, the whole instrument shall be treated in insolvency as a claim resulting from an own funds item and shall rank lower than any claim that does not result from an own funds item. However, in other jurisdictions in the EU such transposition has required instruments which are fully disqualified as own funds items to cease to be treated as a claim resulting from an own funds item in insolvency and, consequently, could potentially improve their ranking with respect to any claim that results from an own funds item (such as the Tier 2 Subordinated Notes). If the Spanish authorities were to transpose Article 48(7) of BRRD following such approach and certain Tier 2 Subordinated Notes of the Issuer

were to be disqualified as own funds items in the future, their ranking could potentially be improved vis à vis the rest of the Tier 2 Subordinated Notes.

Under the Insolvency Law, accrual of interest on the Notes shall be suspended from the date of the declaration of insolvency of the Issuer.

16. Risks Relating to the Insolvency Law

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days), (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) accrual of unsecured interest (whether ordinary or default interest) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date shall become subordinated. In the case of secured ordinary interests, (i) these shall be deemed as specially privileged, and (ii) interests shall keep accruing after the declaration of insolvency up to the limit of the secured amount, and only if a contingent credit for secured ordinary interests that may accrue after the declaration of insolvency is included in the statement of claim to be sent to the insolvency administrator (as per the Supreme Court judgment dated 20 February 2019). In the case of secured default interests, (i) these shall be deemed as specially privileged, and (ii) these shall not accrue after the declaration of insolvency, in accordance with the Spanish Supreme Court judgment dated 11 April 2019. Any payments of interest in respect of debt securities will be subject to the subordination provisions of Article 281.1.3° of the Insolvency Law.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of an out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*) without insolvency proceedings having been previously opened (e.g., refinancing agreements which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and (ii) unless some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall always be subject to the measures contained therein, if passed. Additionally, liabilities from those creditors considered specially related persons for the purpose of Article 282 of the Insolvency Law would not be taken into account for the purposes of calculating the majorities required for the out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*).

Risks related to Notes generally

17. Risks relating to the Spanish withholding tax regime

Article 44 of Royal Decree 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014 (the **Simplified Information Procedures**), which are described under "*Taxation - Simplified information procedures*". The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

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

In accordance with Article 44 of Royal Decree 1065/2007, the relevant Issuing and Principal Paying Agent should provide the Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Issuing and Principal Paying Agent on its behalf will make a withholding at the general rate (currently 19%) on the total amount of the return on the relevant Notes otherwise payable to such entity.

The Issuer considers that, according to Royal Decree 1065/2007, any payments under the Notes will be made by the Issuer free of Spanish withholding tax, provided that the Simplified Information Procedures described above (which do not require identification of the Noteholders) are complied with by the Issuer and the Issuing and Principal Paying Agent.

In the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19%.

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

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and neither of the Issuer or the Dealers, assumes any responsibility therefor. In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the holders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on distributions in respect of the relevant securities if the holders do not comply with such information procedures.

18. *The Conditions of the Notes contain provisions which may permit their modification and/or substitution without the consent of all or any investors*

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

In addition, subject as provided herein, in particular to the provisions of Condition 18 (*Substitution and Variation*) of the English Law Conditions or Condition 18 (*Substitution and Variation*) of the Spanish Law Conditions, if a Capital Event, an Eligible Liabilities Event, an Alignment Event or a circumstance giving rise to the right to early redeem Ordinary Senior Notes eligible to comply with MREL Requirements, Subordinated Notes or Senior Non-Preferred Notes for taxation reasons, occurs the Issuer may, at its option, and without the consent or approval of the Noteholders, elect either (i) to substitute all (but not some only) of the Notes or (ii) to vary the terms of all (but not some only) of the

Notes (including, in the case of the English Law Notes, changing the governing law of such Notes from English law to Spanish law), in each case so that they are substituted for, or varied to, become or remain Qualifying Notes. While Qualifying Notes must contain terms that are materially no less favourable to Noteholders as the original terms of the relevant Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favourable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms. In the case of the English Law Notes, any change in the governing law of such Notes from English law to Spanish law, so that the English Law Notes become or remain Qualifying Notes, shall not be subject to the requirement to be not materially less favourable to the interests of the Holders of the English Law Notes. Any variation in the ranking of the relevant Notes (including, inter alia, through the removal of an Issuer Call) shall be deemed not to be materially less favourable to the interests of the Holders of the Notes where the ranking of such Notes following such substitution or modification is at least the same ranking as is applicable to such Notes as set out in the applicable Final Terms on the issue date of such Notes.

Further, prior to the making of any such substitution or variation, the Issuer shall not be obliged to have regard to the tax position of individual Noteholders or to the tax consequences of any such substitution or variation for individual Noteholder. No Noteholder shall be entitled to claim, whether from the Paying Agent, the Issuer, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or variation upon individual Noteholders.

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

The Terms and Conditions of the Notes provide that Noteholders waive any deduction, set-off, netting or compensation rights arising directly or indirectly under or in connection with any Note against any right, claim, or liability the Issuer has or may have or acquire against any Noteholder, directly or indirectly, howsoever arising. As a result Noteholders will not at any time be entitled to set off the Issuer's obligations under the Notes against obligations owed by them to the Issuer. In addition, the exercise of set-off rights in respect of the Issuer's obligations under the Notes upon the opening of a resolution procedure would be prohibited by Article 68 of BRRD (as transposed into Spanish law).

20. *Substitution of the Issuer*

If the conditions set out in Condition 16 (*Substitution of the Issuer*) are met, the Issuer may, without the further consent of the Noteholders, subject to such substitution being in compliance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and subject to the prior permission of the Regulator and/or the Relevant Resolution Authority, if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), be replaced and substituted by any of its wholly owned Subsidiaries (as defined in the Terms and Conditions of the Notes) as the principal debtor in respect of all obligations arising under or in connection with the Notes, Coupons, Talons and the Deed of Covenant (the **Substituted Debtor**). In that case, the Noteholders will assume the risk that the Substituted Debtor may become insolvent or otherwise be unable to make all payments due in respect of the Notes.

21. *Reliance on Euroclear and Clearstream, Luxembourg procedures*

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

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

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes, will not have a direct right under such Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes (except to the extent that they may rely, in the case of English Law Notes, upon their rights under the Deed of Covenant and, in the case of Spanish Law Notes, upon Condition 1 (*Form, Denomination and Title*) of the Terms and Conditions of the Spanish Law Notes and under the provisions of the Global Notes).

Risks related to the market generally

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

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

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be or be perceived in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

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

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes (including on an unsolicited basis). The ratings may not reflect the potential impact of all the risks related to structure, market and additional factors discussed above, and do not address the price, if any, at which the Notes may be resold prior to maturity (which may be substantially less than the original offering prices of the Notes), and other factors that may affect the value of the Notes. However, real or anticipated changes in the Issuer's credit rating will generally affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country 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, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Investors regulated in the UK are subject to similar restrictions under 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 third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note 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 third country ratings, 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.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus shall be incorporated in, and form part of, this Base Prospectus:

- (a) English language translation of CaixaBank's audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the EU (the **IFRS-EU**) (including the English language translation of the independent auditor's report thereon) for the financial year ended 31 December 2020 (the **2020 Consolidated Financial Statements**) together with CaixaBank's management report in respect of the 2020 Consolidated Financial Statements (**CaixaBank Group Management Report for 2020**) available at:

https://www.ise.ie/debt_documents/AFS%202020%20CaixaBank_512de684-3477-43f8-bc53-0cdfd0cf72e9.pdf

- (b) English language translation of CaixaBank's audited consolidated financial statements prepared in accordance with the IFRS–EU (including the English language translation of the independent auditor's report thereon) for the financial year ended 31 December 2019 (the **2019 Consolidated Financial Statements**) together with CaixaBank's management report in respect of the 2019 Consolidated Financial Statements (**CaixaBank Group Management Report for 2019**) available at:

https://www.ise.ie/debt_documents/Financial%20Statements%202019_9b174e13-3060-4ee5-a062-47f2be11bb95.PDF

- (c) English language translation of Bankia's audited consolidated financial statements prepared in accordance with the IFRS–EU (including the English language translation of the independent auditor's report thereon) for the financial year ended 31 December 2020 (the **2020 Bankia Consolidated Financial Statements**) together with Bankia's consolidated directors' report in respect of the 2020 Consolidated Financial Statements (**Bankia Management Report for 2020**) available at:

<https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202104/a82b3fd5-7b4e-475e-900d-e806d8437a2b.pdf>

- (d) English language translation of Bankia's audited consolidated financial statements prepared in accordance with the IFRS–EU (including the English language translation of the independent auditor's report thereon) for the financial year ended 31 December 2019 (the **2019 Bankia Consolidated Financial Statements**) together with Bankia's consolidated directors' report in respect of the 2019 Consolidated Financial Statements (**Bankia Management Report for 2019**) available at:

<https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202104/b617daa3-2202-496c-8cbc-ef2382601d1b.pdf>

- (e) the terms and conditions of the Notes contained in the previous Base Prospectus dated 23 April 2020, at pages 63-114 and 115-170 (inclusive), prepared by the Issuer in connection with the Programme available at:

https://www.ise.ie/debt_documents/Base%20Prospectus_5dd712d3-dc28-4498-a3cd-5888bb89ff02.pdf

- (f) the terms and conditions of the Notes contained in the previous Base Prospectus dated 26 April 2019, at pages 88-135 and 136-187 (inclusive), prepared by the Issuer in connection with the Programme available at:

https://www.ise.ie/debt_documents/Base%20Prospectus_91bdab4f-cfbb-46ef-aa30-be1d4be5e5c9.PDF

- (g) the terms and conditions of the Notes contained in the previous Base Prospectus dated 23 April 2018, as supplemented by the Supplement dated 18 September 2018, at pages 78-119 (inclusive) and 24-68 (inclusive), respectively, prepared by the Issuer in connection with the Programme available at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/FinalBaseProspectus_24f6896b-6daf-4194-a177-aa0afb70f2a3.PDF

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Supplements_fd19b879-5f01-4ed0-a805-dae3d234ab7a.PDF

- (h) the terms and conditions of the Notes contained in the previous Base Prospectus dated 20 June 2017 at pages 73-110 (inclusive) prepared by the Issuer in connection with the Programme available at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/FinalBaseProspectus_e42a1032-98cb-492e-b076-aba6726cc96d.PDF

- (i) the terms and conditions of the Notes contained in the previous Base Prospectus dated 13 June 2016 at pages 60-95 (inclusive) prepared by the Issuer in connection with the Programme available at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_ae00599e-d866-49e4-a253-38e876d33859.PDF

Translations in English have been translated from the original Spanish language, and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy, the Spanish language version of the relevant document prevails.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CBI in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 8 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14

days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available, or (iii) the Notes are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than the Temporary Global Notes) and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

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

Pursuant to the Agency Agreement (as defined in the Terms and Conditions of the Notes), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Except in relation to Notes issued in NGN form, any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. A Note may be accelerated by the holder thereof in certain circumstances described in Condition 8 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes or the Maturity Date has occurred and, in either case, the payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day, each account holder which has Notes represented by such Global Note credited to its securities accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer and will acquire all those rights that it would have had if at the relevant time it held, executed and authenticated definitive Notes in respect of the relevant Notes (including the right to claim and receive all payments due at any time in respect of the relevant Notes) subject to and in accordance with, in the case of English Law Notes, the terms of a deed of covenant (the **Deed of Covenant**) dated 27 April 2021 and executed by the Issuer, and, in the case of the Spanish Law Notes, under the provisions of Condition 1 (*Form, Denomination and Title*) and the relevant Global Note and, from that time, the holder of the Global Note will have no further rights under such Global Note (but without prejudice to the rights which the holder or any other person may have under the Deed of Covenant (in the case of English Law Notes) or as a holder of Notes other than the Global Note (in the case of the Spanish Law Notes)).

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a supplement to the Base Prospectus or a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, on or prior to the original issue date of the Tranche the Global Notes or Global Certificates will be delivered to a Common Safekeeper and Euroclear and Clearstream, Luxembourg will be informed whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem (**Eurosystem eligible collateral**).

Depositing the Global Notes intended to be held as Eurosystem eligible collateral with a Common Safekeeper does not necessarily mean that the Notes will be recognised as Eurosystem eligible collateral either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. In the case of Notes issued in NGN form which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Notes are capable of meeting the eligibility criteria, such Notes may then be deposited with Euroclear or Clearstream, Luxembourg as Common Safekeeper.

FORM OF FINAL TERMS

NOTES WITH A DENOMINATION OF EUR 100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE

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

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

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of 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; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation] ¹⁴

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of

¹⁴ Legend to be included on front of the Final Terms (i) if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable"

the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]¹⁵

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA) – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [Excluded] / [Specified] Investment Products (as defined in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

[Date]

CaixaBank, S.A.

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the EURO 30,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled [*“Terms and Conditions of the English Law Notes”*]/[*“Terms and Conditions of the Spanish Law Notes”*] in the Base Prospectus dated 27 April 2021 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of Euronext Dublin at www.euronext.com/en/markets/dublin. In addition, if the Notes are to be admitted to trading on the regulated market of Euronext Dublin, copies of the Final Terms will be published on the website of Euronext Dublin at www.euronext.com/en/markets/dublin.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [●] [under the section entitled [*“Terms and Conditions of the English Law Notes”*]/[*“Terms and Conditions of the Spanish Law Notes”*] [and the supplement[s] to it dated [date] [and [date]]] which [is/are] incorporated by reference in the Base Prospectus dated 27 April 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 27 April 2021 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the

¹⁵ Legend to be included on the front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

Base Prospectus in order to obtain all relevant information.¹⁶ The Base Prospectus has been published on the website of Euronext Dublin at www.euronext.com/en/markets/dublin.]

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

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

- | | | |
|----|--|---|
| 1. | Issuer: | CaixaBank, S.A. |
| 2. | (a) Series Number: | [] |
| | (b) Tranche Number: | [] |
| | (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about <i>[date]</i>][Not Applicable] |
| 3. | Specified Currency or Currencies: | [] |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | [] |
| | (b) Tranche: | [] |
| 5. | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i>] (<i>if applicable</i>) |
| 6. | (a) Specified Denominations: | [] |
| | | <i>(N.B. Notes must have a minimum denomination of €100,000 (or equivalent) and be in integral multiples of the specified minimum denomination)</i> |
| | (b) Calculation Amount: | [] |
| 7. | (a) Trade Date: | [] |
| | (b) Issue Date | [] |
| | (c) Interest Commencement Date: | <i>[specify/Issue Date/Not Applicable]</i> |

¹⁶ When preparing Final Terms prepared in relation to an issuance of Notes to be listed on a non-regulated market, Prospectus Regulation references are to be removed.

8. Maturity Date: *[Specify date/or for Floating Rate Notes - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: *[[] per cent. Fixed Rate]*
[Fixed Reset Notes]
[[[] month
[LIBOR/EURIBOR/SONIA/SOFR/CMS Rate]] +/-
[] per cent. Floating Rate]
(see paragraph [15]/[16]/[17] below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at *[] per cent.* of their nominal amount
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 17 below and identify there][Not Applicable]*
12. Put/Call Options: Investor Put pursuant to Condition 5.6 of the Terms and Conditions of the Notes is *[Applicable/Not Applicable][see paragraph 21 below]*
 Issuer Call pursuant to Condition 5.3 of the Terms and Conditions of the Notes is *[Applicable/Not Applicable][see paragraph 18 below]*
 Issuer Call – Capital Event (Tier 2 Subordinated Notes) pursuant to *[Condition 5.4 of the Terms and Conditions of the Notes]* is *[Applicable/Not Applicable]*
 Issuer Call – Eligible Liabilities Event (Subordinated Notes/Senior Non-Preferred/Ordinary Senior Notes) pursuant to *[Condition 5.5 of the Terms and Conditions of the Notes]* is *[Applicable/Not Applicable]*
13. (a) Status of the Notes: *[Senior Notes – Ordinary Senior Notes/Senior Notes – Senior Non-Preferred Notes][Subordinated Notes - Senior Subordinated Notes/Subordinated Notes - Tier 2 Subordinated Notes]*
- (b) Date *[Board]* approval for issuance of Notes obtained: *[] [and [], respectively]] [Not Applicable]*
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

14. Gross-up in respect of principal and any premium (pursuant to Condition 6.1 of the Terms and Conditions of the Notes): [Yes/No/Not Applicable]
*(N.B. Only relevant for Ordinary Senior Notes)
 (Include "Not Applicable" if issue is of Senior Non-Preferred Notes or Subordinated Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Applicable from (and including) [●] to (and excluding) [●]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
 (Applicable to Notes in definitive form.)
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
 (Applicable to Notes in definitive form.)
(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount)
- (e) Day Count Fraction: [30/360 or 30/360 (ISDA)] [Actual/Actual (ICMA)][Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Not Applicable]
- (f) Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
(N.B. This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration)
16. Fixed Reset Provisions: [Applicable/ Applicable from (and including) [●] to (and excluding) [●]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Initial Interest Rate: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
- (c) Fixed Coupon Amount to (but excluding) the First Reset Date: [[] per Calculation Amount/Not Applicable]
- (d) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
- (g) First Reset Date: []
- (h) Second Reset Date: []/[Not Applicable]
- (i) Subsequent Reset Date(s): [] [and []]
- (j) Reset Reference Rate: [Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
- (k) Initial Reference Rate: []/[Not Applicable]
- (l) Reset Determination Time: []
- (m) Mid-Swap Rate: []/[Not Applicable]
- (n) Reset Margin: [+/-][] per cent. per annum
- (o) Relevant Screen Page: []
- (p) Initial Mid-Swap Rate [] per cent. per annum (quoted on a[n annual/semi-annual basis])
- (q) Floating Leg Reference Rate: []
- (r) Floating Leg Screen Page: []
- (s) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []/[Not Applicable]
- (t) Minimum Rate of Interest: [] per cent. per annum
- (u) Maximum Rate of Interest: [] per cent. per annum
17. Floating Rate Note Provisions [Applicable/ Applicable from (and including) [●] to (and excluding) [●]/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] [Not Applicable]
- (f) Screen Rate Determination: [Applicable / Not Applicable]
- (i) Reference Rate: [] month [[currency] LIBOR/EURIBOR/SONIA/SOFR/CMS Reference Rate]
- (ii) Relevant Financial Centre: [London/Brussels/specify other Relevant Financial Centre] *(only relevant for CMS Rate)*
- (iii) Reference Currency: [] *(only relevant for CMS Rate)*
- (iv) Designated Maturity: [] *(only relevant for CMS Rate)*
- (v) Relevant Time: [11:00 a.m.] in the Relevant Financial Centre *(only relevant for CMS Rate)*
- (vi) Interest Determination Date(s): []
- (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR or CMS Rate where the reference currency is euro)*

(In the case of a CMS Rate where the Reference Currency is other than euro):

[Second [*specify type of day*] prior to the start of each Interest Period]

(In the case of Notes where the Reference Rate is SONIA):

[[] London Banking Days prior to each Interest Payment Date]]

(In the case of Notes where the Reference Rate is SOFR):

[[] U.S. Government Securities Business Days prior to each Interest Payment Date]

(vii) Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings or captions)

(viii) [Calculation Method: *Include where the Reference Rate is SONIA:* [SONIA Compounded Daily]/[SONIA Index Compounded Daily]/[SONIA Weighted Average]]

[Include where the Reference Rate is SOFR: [SOFR Arithmetic Mean]/[SOFR Compound: [SOFR Compound with Lookback]/[SOFR Compound with Observation Period Shift]/]/[SOFR Compound with Payment Delay]/[SOFR Index with Observation Shift]]]

(ix) Observation Method: *[Include where the Calculation Method is SONIA Compounded Daily:* [Lag]/[Lock-out]/[Shift]]

(x) p: [[*specify*] [London Banking Days]/[U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]]

(Include where the Reference Rate is SONIA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback))

- (xi) [Observation Shift Days: *[[specify] U.S. Government Securities Business Days]/[As per the Conditions]/[Not Applicable]]*
- (Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift)*
- (xii) Interest Payment Delay: *[Not Applicable / [] U.S. Government Securities Business Day(s)]*
- (Include where the Reference Rate is SOFR)*
- (xiii) Interest Period End Dates: *[specify] [The Interest Payment Date for such Interest Period] [Not Applicable]*
- (Include where the Reference Rate is SONIA and the Observation Method is "Shift" or SOFR and the Calculation Method is Compound with Payment Delay)*
- (xiv) [SOFR Cut-Off Date: *[As per Conditions]/[[specify] U.S. Government Securities Business Days]/[Not Applicable]]*
- (Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean)*
- (xv) [SOFR Replacement Alternatives Priority: *[As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition 3.3(b)(iv)(D).]]*
- (xvi) ISDA Determination: *[Applicable / Not Applicable]*
- (xvii) Floating Rate Option: *[]*
- (xviii) Designated Maturity: *[]*
- (xix) Reset Date: *[]*
- (In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)*
- (xx) Linear Interpolation: *[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]*
- (xxi) Margin(s): *[+/-] [] per cent. per annum*

- (xxii) Minimum Rate of [] per cent. per annum Interest:
- (xxiii) Maximum Rate of [] per cent. per annum Interest:
- (xxiv) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]

[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

18. Issuer Call (pursuant to Condition 5.3 of the Terms and Conditions of the Notes): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Period: [] / [Not Applicable]
- (c) Optional Redemption Amount: [] per Calculation Amount
- (d) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
19. Capital Event (Tier 2 Subordinated Notes pursuant to Condition 5.4 of Terms and Conditions of the Notes): [Applicable/Not Applicable]
20. Eligible Liabilities Event (Subordinated Notes, Senior Non-Preferred or Ordinary Senior Notes pursuant to Condition 5.5 of the Terms and Conditions of the Notes): [Applicable/Not Applicable]
21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []

- (b) Optional Redemption Amount: [] per Calculation Amount
(NB: The Optional Redemption Amount cannot be other than a specified amount per Calculation Amount)
- (c) Notice periods: Minimum period: [] days
Maximum period: [] days
(N.B. Only required to be completed where notice periods are different to the notice periods set out in Condition 5.6. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
22. Final Redemption Amount: [] per Calculation Amount
23. Early Redemption Amount payable on redemption for taxation reasons, on an event of default [or upon the occurrence of a Capital Event] [or upon the occurrence of an Eligible Liabilities Event]: [] per Calculation Amount
24. Ordinary Senior Notes optionality: *(Note that this paragraph provides additional optionality to apply Additional Events of Default to Ordinary Senior Notes)*
(N.B. Only relevant for Ordinary Senior Notes. Include "Not Applicable" if issue is of Senior Non-Preferred Notes or Subordinated Notes and delete sub-paragraph (a))
- (a) Additional Events of Default (Condition 8 of the Terms and Conditions of the Notes): [Condition 8.2(a) [Not] Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [upon an Exchange Event [including/excluding] the exchange event described in paragraph (ii) of the definition in the Permanent Global Note]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [upon an Exchange Event [including/excluding] the exchange event described in paragraph (ii) of the definition in the Permanent Global Note]]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian law of 14th December, 2005¹⁷]

- (b) New Global Note: [Yes][No]
26. Additional Financial Centre(s): [Not Applicable/*give details*]
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which sub-paragraph 17(c) relates)
27. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
28. [EU Benchmarks Regulation: Article 29(2) statement on benchmarks:] [Amounts payable under the Notes are calculated by reference to *[insert name of Benchmark]*, which is provided by *[insert name of the administrator]*.
 As at the date of the Base Prospectus, *[insert name of the administrator]* is [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the EU Benchmarks Regulation (Regulation (EU) 2016/1011).]
(Only relevant for CMS Linked Interest Notes)

¹⁷ Include for Notes that are to be offered in Belgium.

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of CaixaBank, S.A.:

By:

.....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing: [Application [has been/will be] made by the Issuer (or on its behalf) to Euronext Dublin for the Notes to be admitted to the [Official List of Euronext Dublin] and admitted to trading on the [regulated market of Euronext Dublin] with effect from [].]
- (b) Admission to trading: [Application [has been/will be] made by the Issuer (or on its behalf) to the Official List of Euronext Dublin for the Notes to be admitted to trading on [the regulated market of Euronext Dublin] with effect from [].]
- [Not Applicable]
- (When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (c) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- [[Insert the legal name of the relevant CRA entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [insert the legal name of the relevant CRA entity] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]
- [[Insert the legal name of the relevant non-EU CRA entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [Insert the legal name of the relevant non-EU CRA entity] is therefore not included in the list of credit rating agencies published by the European Securities and Markets

Authority on its website in accordance with such Regulation].]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by [insert the legal name of the relevant EU-registered CRA entity] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU CRA entity*] is established in the European Union and registered under the CRA Regulation]. As such [*insert the legal name of the relevant EU CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico/the UK (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation[[**EITHER:**] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[**OR:**] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant CRA entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and [*insert the legal name of the relevant CRA entity*] is not included in the list of credit rating agencies published by the European

Securities and Markets Authority on its website in accordance with such Regulation].]

*[[Insert the legal name of the relevant non-EU CRA entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [insert the legal name of the relevant EU CRA entity that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert the legal name of the relevant non-EU CRA entity][, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [insert the legal name of the relevant EU CRA entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico/the UK (*delete as appropriate*)] which have been endorsed by [insert the legal name of the relevant EU CRA entity that applied for registration] may be used in the EU by the relevant market participants.]*

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

[Save for fees [●] *[insert relevant fee disclosure]* payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

(N.B. When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (a) Reasons for the offer: [General financing requirements of the CaixaBank Group / *Other – if reasons for the offer are different from general financial requirements and there is a particular identified use of proceeds, this will need to be stated here*] [The Notes are intended to be issued as [Green Notes / Social Notes / Sustainable Notes] and the net proceeds of the issuance of the Notes will be used as described in "*Use of Proceeds*" in the Base Prospectus]
- (b) Estimated net proceeds: []

5. YIELD (*Fixed Rate Notes and Fixed Reset Notes only*)

Indication of yield: [] [Not Applicable]

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

6. OPERATIONAL INFORMATION

- (a) ISIN: []
- (b) Common Code: []
- (c) Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (d) Delivery: Delivery [against/free of] payment
- (e) Names and addresses of additional Paying Agent(s) (if any): []
- (f) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that

the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/*give names*]
- (c) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (d) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (e) U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (f) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the EEA, "Applicable" should be specified.)
- (g) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified.)
- (h) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

TERMS AND CONDITIONS OF THE ENGLISH LAW NOTES

The following are the Terms and Conditions of the English Law Notes, if so specified in Part A – Contractual Terms of the Final Terms, which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by CaixaBank, S.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 27 April 2021 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent** or the **Principal Paying Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Notes, have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 27 April 2021 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of Euronext Dublin the applicable Final Terms will be published on the website of Euronext Dublin (www.euronext.com/en/markets/dublin). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions:

euro means 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;

Calculation Agent means the Agent, or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount and such other amount(s) as may be specified in the applicable Final Terms.

Calculation Amount has the meaning given in the applicable Final Terms;

Group means the Issuer and its Subsidiaries; and

Subsidiary means, in relation to an entity, any entity controlled by that first person entity where control is determined in accordance with Regulation 43 of Circular 4/2017, of 27 November, of the Bank of Spain as amended from time to time (*Norma 43 de la Circular 4/2017, de 27 de noviembre, del Banco de España*), whether any such entity is a financial institution or not.

For the avoidance of doubt, an Ordinary Senior Note will be deemed to be **eligible to comply with MREL Requirements** even if it is not so eligible provided that its ineligibility arises solely as a result of the circumstances described in paragraphs (a)(i) to (iv) of the definition of Eligible Liabilities Event.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Fixed Reset Note or a Floating Rate Note (which term includes a CMS Linked Interest Note if this Note is specified as such in the Final Terms), or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may also be a Senior Note or a Subordinated Note and, in the case of a Senior Note, an Ordinary Senior Note or a Senior Non-Preferred Note, and in the case of a Subordinated Note, a Senior Subordinated Note or a Tier 2 Subordinated Note, all as indicated in the applicable Final Terms.

Definitive Notes are issued with Coupons attached.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall not be required to obtain any proof thereof or as to the identity of such bearer but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE SENIOR NOTES AND SUBORDINATED NOTES

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

2.1 Status of the Senior Notes

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

The Senior Non-Preferred Notes constitute non-preferred ordinary claims (*créditos ordinarios no preferentes*) under Additional Provision 14.2° of Law 11/2015. It is expressly stated for the purposes of Additional Provision 14.2° of Law 11/2015 that upon the insolvency of the Issuer, the Senior Non-Preferred Notes will rank below any other ordinary claims (*créditos ordinarios*) against the Issuer and accordingly, claims in respect of the Senior Non-Preferred Notes shall be paid after payment of any such other ordinary (*créditos ordinarios*) claims of the Issuer. The Senior Non-Preferred Notes are intended to comply with the requirements of Article 72b of CRR so that they qualify as eligible liability

instruments for the purposes of Article 72a of CRR. Accordingly, as set out in Article 72a of CRR, the Senior Non-Preferred Notes shall not be considered as debt instruments with embedded derivatives solely because of any Issuer Call or Investor Put for the purposes of Additional Provision 14.2° of Law 11/2015.

Therefore, in accordance with the Insolvency Law and Additional Provision 14.2° of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer, the payment obligations of the Issuer under the Senior Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 281 of the Insolvency Law) will rank:

- (a) in the case of Ordinary Senior Notes:
 - (i) **senior** to (A) any Senior Non-Preferred Obligations and (B) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law (or equivalent legal provision which replaces it in the future); and
 - (ii) ***pari passu*** among themselves and with any other Senior Preferred Obligations; and
- (b) in the case of Senior Non-Preferred Notes:
 - (i) **senior** to any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law (or equivalent legal provision which replaces it in the future);
 - (ii) ***pari passu*** among themselves and with any other Senior Non-Preferred Obligations; and
 - (iii) **junior** to any Senior Preferred Obligations.

In the Conditions:

Insolvency Law means the restated text of the Spanish Insolvency Law approved by Legislative Royal 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.

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.

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

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

In the event of insolvency (concurso) of the Issuer, under the currently in force Insolvency Law (as defined below), claims relating to Senior Notes (which are not subordinated pursuant to Article 281 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados) (including, without limitation, any deposits for the purposes

of Additional Provision 14.1º of Law 11/2015 (as defined below)) which shall be paid in full before ordinary credits. Ordinary credits rank above subordinated credits and the rights of shareholders.

Pursuant to Article 152 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims of Senior Noteholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of Article 281.1.3º of the Insolvency Law (including without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Issuer).

The obligations of the Issuer under the Senior Notes are subject to the Loss Absorbing Power.

2.2 Status of the Subordinated Notes

The payment obligations of the Issuer in respect of principal under Notes which specify their status as Subordinated Notes in the relevant Final Terms (**Subordinated Notes**, which may be, in turn, Senior Subordinated Notes (**Senior Subordinated Notes**) or Tier 2 Subordinated Notes (**Tier 2 Subordinated Notes**), as specified in the relevant Final Terms) constitute direct, unconditional and subordinated obligations of the Issuer. In accordance with the Insolvency Law and Additional Provision 14.3º of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer the payment obligations of the Issuer under the Subordinated Notes in respect of principal, will rank:

- (a) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes do not constitute Tier 2 Instruments of the Issuer:
 - (i) **senior** to (i) any claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments or Tier 2 Instruments; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under the Senior Subordinated Notes;
 - (ii) **pari passu** among themselves and with (i) all other claims for principal in respect of contractually subordinated obligations of the Issuer not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments of the Issuer; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* to the Issuer's obligations under the Senior Subordinated Notes; and
 - (iii) **junior** to (i) any unsubordinated obligations of the Issuer (including any Senior Non-Preferred Obligations); and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the Senior Subordinated Notes.
- (b) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes constitute Tier 2 Instrument of the Issuer:
 - (i) **senior** to (i) any claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under the relevant Subordinated Notes;

- (ii) ***pari passu*** among themselves and with (i) any other claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Tier 2 Instruments, and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the relevant Subordinated Notes; and
- (iii) **junior** to (i) any unsubordinated obligations of the Issuer (including any Senior Non-Preferred Obligations); (ii) any claim for principal in respect of other contractually subordinated obligations of the Issuer not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments (such as the Senior Subordinated Notes, if and as applicable); and (iii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the relevant Subordinated Notes.

Senior Subordinated Notes are expected to rank as provided in paragraph (a) above on the basis that such Notes are not intended to qualify as Tier 2 Capital of the Issuer and/or the Group. Tier 2 Subordinated Notes are expected to rank as provided in paragraph (b) above on the basis that such Notes are intended to qualify as Tier 2 Capital of the Issuer and/or the Group.

The obligations of the Issuer under the Subordinated Notes are subject to the Loss Absorbing Power.

In the Conditions:

Applicable Banking Regulations means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Issuer and/or the Group including, without limitation to the generality of the foregoing, CRD 4, the BRRD and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect of the Regulator and / or the Relevant Resolution Authority, in each case to the extent then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group).

Additional Tier 1 Capital means Additional Tier 1 capital (*capital de nivel 1 adicional*) as provided under Applicable Banking Regulations.

Additional Tier 1 Instrument means any contractually subordinated obligation of the Issuer constituting an Additional Tier 1 instrument (*instrumento de capital de nivel 1 adicional*) in accordance with Applicable Banking Regulations and as referred to in Additional Provision 14.3(c) of Law 11/2015, as amended or replaced from time to time.

BRRD means Directive 2014/59/EU of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may amend or come into effect in place thereof (including the BRRD 2), as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions (in all cases, as amended from time to time).

CRD 4 means any or any combination of the CRD 4 Directive, the CRR, and any CRD 4 Implementing Measures.

CRD 4 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC or such other directive as may come into effect in place thereof (in all cases, as amended from time to time, including by the CRD 5 Directive).

CRD 4 Implementing Measures means any regulatory capital rules implementing the CRD 4 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 Regulator, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a stand-alone basis) or the Group (on a consolidated basis) including, without limitation, Law 10/2014, as amended from time to time, RD 84/2015, as amended from time to time, and any other regulation, circular or guidelines implementing CRD 4 (in all cases, as amended from time to time).

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 and amending Regulation (EU) No. 648/2012 or such other regulation as may come into effect in place thereof (in all cases, as amended from time to time, including by CRR 2).

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

RD 1012/2015 means Royal Decree 1012/2015, of 6 November, implementing 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.

RD 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.

Regulator means the *European Central Bank* or such other or successor authority exercising primary bank supervisory authority, or any other entity or institution carrying out such duties on its/their behalf (including the Bank of Spain), in each case with respect to prudential matters in relation to the Issuer and/or the Group.

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

Tier 2 Instrument means any contractually subordinated obligation of the Issuer constituting a Tier 2 instrument (*instrumentos de capital de nivel 2*) in accordance with the Applicable Banking Regulations and as referred to in Additional Provision 14.3(b) of Law 11/2015, as amended or replaced.

Under Spanish Law, accrual of interest on the Subordinated Notes shall be suspended from the date of the declaration of insolvency of the Issuer. Claims of Subordinated Noteholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims of the Issuer ranking in accordance with the provisions of Article 281 of the Insolvency Law.

3. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Fixed Reset Notes or Floating Rate Notes.

3.1 Interest on Fixed Rate Notes

This Condition 3.1 applies to Fixed Rate Notes only or Notes where the Final Terms specify that this Condition 3.1 applies for a limited period. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 3.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of

Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 365 (or, if any portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365);
- (c) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (d) if "30/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the interest period is the 31st day of a month but the first day of the interest period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the interest period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (e) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

3.2 Interest on Fixed Reset Notes

(a) Rates of Interest and Interest Payment Dates

Each Fixed Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;
- (ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and
- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

The provisions of this Condition 3.2 shall apply, as applicable, in respect of any determination by the Calculation Agent of the Rate of Interest for a Reset Period in accordance with this Condition 3.2 as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 3.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 3.1 (*Interest on Fixed Rate Notes*) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Conditions:

First Reset Rate means the sum of the Reset Margin and the Reset Reference Rate for the First Reset Period, adjusted as necessary;

Mid-Swap Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the rate for the Reset Date for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period;

Non-Sterling Reference Bond Rate means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

Reference Banks means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Issuer;

Reference Government Bond Dealer means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute

determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

Relevant Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Calculation Agent, for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable;

Reset Determination Date means the second Business Day immediately preceding the relevant Reset Date;

Reset Period means the First Reset Period or any Subsequent Reset Period, as the case may be;

Reset Period Mid-Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page;

Reset Reference Bank Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date will be 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 Mid-Swap Rate will be the last observable Mid-Swap Rate which appears on the Relevant Screen Page on or after the most recent Reset Date or, if none, the Issue Date, if any, as determined by the Agent. If no such Mid-Swap Rate is available on the Relevant Screen Page, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Mid-Swap Rate which last appeared on the Relevant Screen Page;

Reset Reference Bond means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer (after consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

Reset Reference Bond Price means, with respect to any Reset Determination Date:

- (a) if five or more Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such quotations; or
- (b) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (c) if only one Reference Government Bond Dealer Quotation is received, such quotation; or
- (d) if no Reference Government Bond Dealer Quotations are received, where U.S. Treasury Rate does not apply, in the case of the First Reset Rate, the Initial Reference Rate and, in the case of any Subsequent Reset Rate, the Reset Reference Rate as at the last preceding Reset Date; or where U.S. Treasury Rate does apply, the U.S. Treasury Rate shall be determined in accordance with the second paragraph in the definition of U.S. Treasury Rate;

Reset Reference Rate means one of the (i) Mid-Swap Rate, (ii) the Sterling Reference Bond Rate, (iii) the Non-Sterling Reference Bond Rate or (iv) the U.S. Treasury Rate, as specified in the applicable Final Terms;

Sterling Reference Bond Rate means with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

Subsequent Reset Rate means the sum of the applicable Reset Reference Rate and the Reset Margin on the relevant Reset Determination Date for any Subsequent Reset Period, adjusted as necessary; and

U.S. Treasury Rate means, with respect to any Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to: (1) the average of the yields on

actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption “Treasury constant maturities” at the Reset Determination Time on the Reset Determination Date in the applicable most recently published statistical release designated “H.15 Daily Update”, or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption “Treasury Constant Maturities”, for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset Reference Bond, calculated using a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date; or (3) if the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, “U.S. Treasury Rate” means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recently published statistical release designated “H.15 Daily Update” under the caption “Treasury constant maturities” (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity comparable with the Reset Period) and as at the Reset Determination Time on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

(b) **Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount**

The Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the other Paying Agents and any stock exchange or other relevant authority on which the relevant Reset Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day (where a **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London) thereafter.

(c) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.2 by the Agent shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Reset Period, then, in the event that the Rate of Interest in respect of such Reset Period determined in accordance with the provisions of paragraph (a) above is less than such Minimum Rate of Interest, the Rate of Interest for such Reset Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Reset Period, then, in the event that the Rate of Interest in respect of such Reset Period determined in accordance with the

provisions of paragraph (a) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Reset Period shall be such Maximum Rate of Interest.

3.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

This Condition 3.3 applies to Floating Rate Notes only or Notes where the Final Terms specify that this Condition 3.3 applies for a limited period. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 3.3 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply *mutatis mutandis* or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (i) 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 each Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes referencing EURIBOR or LIBOR, other than CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is EURIBOR or LIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such other replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subclause 3.3(b)(ii)(A), no offered quotation appears or, in the case of subclause 3.3(b)(ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the relevant financial centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose)

informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the relevant financial centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In these Conditions:

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate.

- (iii) *Screen Rate Determination for Floating Rate Notes referencing SONIA, other than CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 3.3(b)(iii)(A), Condition 3.3(b)(iii)(B) or Condition 3.3(b)(iii)(C) below, subject to the provisions of Condition 3.3(b)(iii)(D) and Condition 3.3(b)(iii)(E) below, as applicable.

- (A) Where the Calculation Method is specified in the applicable Final Terms as being “SONIA Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purpose of the Conditions:

Compounded Daily SONIA means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) and will be calculated as follows:

- (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_{i-\text{pLBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}; \text{ or}$$

- (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d} \text{ where, in each case:}$$

d is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d₀ means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, in respect of an Interest Period, the number of London Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, in respect of an Observation Period, the number of London Banking Days in the relevant Observation Period;

i is a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, in the relevant Observation Period;

Interest Period End Date shall have the meaning specified in the applicable Final Terms;

Lock-out Period means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any London Banking Day_i, means the number of calendar days from and including such London Banking Day_i up to but excluding the following London Banking Day;

Observation Period means the period from and including the date falling “p” London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

p means, in respect of an Interest Period where “Lag” or “Shift” is specified as the Observation Method in the applicable Final Terms, five London Banking Days or such greater number of days as specified in the applicable Final Terms;

Reference Day means each London Banking Day in the relevant Interest Period that is not a London Banking Day falling in the Lock-out Period;

the **SONIA reference rate**, means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the London Banking Day immediately following such London Banking Day);

SONIA_i means, in respect of any London Banking Day _i:

- (x) if “Lag” is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate in respect of pLBD in respect of such London Banking Day_i; or
- (y) if “Lock-out” is specified as the Observation Method in the applicable Final Terms:
 - (1) in respect of any London Banking Day_i that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise
 - (2) the SONIA reference rate in respect of the London Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;
- (z) if “Shift” is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate for such London Banking Day_i; and

SONIA_{i-pLBD} means:

- (x) if “Lag” is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Day_i, SONIA_i in respect of the London Banking Day falling “p” London Banking Days prior to such London Banking Day_i (**pLBD**); or
 - (y) if “Lock-out” is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Day_i, SONIA_i in respect of such London Banking Day_i.
- (B) Where the Calculation Method is specified in the applicable Final Terms as being “SONIA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purpose of the Conditions:

Compounded Daily SONIA Index means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the **SONIA Compounded Index**) and will be calculated as follows:

$$\left(\frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{365}{d}$$

where, in each case:

d is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index_{Start} is determined to (but excluding) the day in relation to which SONIA Compounded Index_{End} is determined;

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

p means five London Banking Days or such greater number of days as specified in the applicable Final Terms;

Compounded Index_{Start} means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the first day of such Interest Period; and

SONIA Compounded Index_{End} means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable).

- (C) Where the Calculation Method is specified in the applicable Final Terms as being “SONIA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purposes of the Conditions:

Weighted Average SONIA means:

- (x) where “Lag” is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or
- (y) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.

- (D) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 3.3(b)(iii)(B) above, if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with Condition 3.3(b)(iii)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (E) If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:
- I. (a) the Bank of England’s Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (b) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
 - II. if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the foregoing, in the event of the Bank of England publishing guidance as to (a) how the SONIA reference is to be determined or (b) any rate that is to replace the SONIA reference rate, the Calculation Agent, as applicable, shall follow such guidance to determine the SONIA reference rate for so long as the SONIA reference is not available or has not been published by the authorised distributors.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 3.3(b)(iii), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 8, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note

remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(iv) *Screen Rate Determination for Floating Rate Notes referencing SOFR, other than CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest (the **Screen Rate**) is to be determined and the applicable Final Terms specify that the Reference Rate is SOFR, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 3.3(b)(iv)(A) or Condition 3.3(b)(iv)(B) below, subject to the provisions of Condition 3.3(b)(iv)(D):

- (A) Where the Calculation Method is specified in the applicable Final Terms as being “SOFR Arithmetic Mean”, the Rate of Interest for each Interest Period will be the SOFR Arithmetic Mean plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the applicable Final Terms as being “SOFR Compound”, the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) The following definitions shall apply for the purpose of the Conditions:

Bloomberg Screen SOFRRATE Page means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

Compounded Daily SOFR means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the Interest Determination Date, as follows:

- I. if “SOFR Compound with Lookback” is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-\text{pUSBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

d means, in respect of an Interest Period, the number of calendar days in such Interest Period;

d₀ means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

i means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

Lookback Period or **p** means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

n_i means, in respect of a U.S. Government Securities Business Day_i, the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day;

SOFR_i means, in respect of each U.S. Government Securities Business Day_i, the SOFR in respect of such U.S. Government Securities Business Day; and

SOFR_{i-pUSBD} means, in respect of a U.S. Government Securities Business Day_i, SOFR_i in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business Days equal to the Lookback Period prior to such U.S. Government Securities Business Day_i (**pUSBD**), provided that, unless SOFR Cut-Off Date is specified as not applicable in the applicable Final Terms, SOFR_i in respect of each U.S. Government Securities Business Day_i in the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date, will be SOFR_i in respect of the SOFR Cut-Off Date for such Interest Period;

- II. if “SOFR Compound with Observation Period Shift” is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d means, in respect of an Observation Period, the number of calendar days in such Observation Period;

d₀ means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

i means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

n_i means, in respect of a U.S. Government Securities Business Day_i, the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day;

Observation Period means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

Observation Shift Days means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms; and

SOFR_i means, in respect of each U.S. Government Securities Business Day_i, the SOFR in respect of such U.S. Government Securities Business Day;

- III. if “SOFR Compound with Payment Delay” is specified in the applicable Final Terms:

$$\left[\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d} \right]$$

where:

d means, in respect of an Interest Period, the number of calendar days in such Interest Period;

d₀ means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

i means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

Interest Period End Dates shall have the meaning specified in the applicable Final Terms;

Interest Payment Dates shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Notes are to be redeemed prior to the Maturity Date, such earlier date on which the Notes become due and payable;

Interest Payment Delay means the number of U.S. Government Securities Business Days specified in the applicable Final Terms;

Interest Determination Date shall be the Interest Period End Date at the end of each Interest Period; provided that the Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

n_i means, in respect of a U.S. Government Securities Business Day_i the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day_i; and

SOFR_i means, for any U.S. Government Securities Business Day_i in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Day_i.

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Notes become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

- IV. if “SOFR Index with Observation Shift” is specified in the applicable Final Terms:

$$\left(\frac{\text{SOFR Index}_{\text{Final}}}{\text{SOFR Index}_{\text{Initial}}} - 1 \right) \times \frac{360}{d_c}$$

where:

d_c means, in respect of each Interest Period, the number of calendar days in the relevant Interest Period;

Interest Period End Dates shall have the meaning specified in the applicable Final Terms;

Observation Shift Days means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

SOFR Index means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve's Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's Website;

SOFR Index_{Final} means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

SOFR Index_{Initial} means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

NY Federal Reserve means the Federal Reserve Bank of New York;

NY Federal Reserve's Website means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

Reuters Page USDSOFR= means the Reuters page designated “USDSOFR=” or any successor page or service;

SOFR means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

- (i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the **SOFR Determination Time**) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day, as such rate is reported on the Bloomberg Screen SOFRRATE Page for such U.S. Government Securities Business Day or, if no such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate that is reported on the Reuters Page USDSOFR= or, if no such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day (the **SOFR Screen Page**); or
- (ii) if the rate specified in (i) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

SOFR Arithmetic Mean means, with respect to an Interest Period, the arithmetic mean of SOFR for each calendar day during such Interest Period, as calculated by the Calculation Agent, provided that, SOFR in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date will be SOFR on the SOFR Cut-Off Date. For these purposes, SOFR in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be SOFR in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

SOFR Cut-Off Date means, unless specified as not applicable in the applicable Final Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Interest Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the applicable Final Terms); and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding Conditions 3.3(b)(iv)(A) to 3.3(b)(iv)(B) above, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in

Condition 3.3(b)(iv)(D) (*SOFR Replacement Provisions*) below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(D) *SOFR Replacement Provisions*

If the Issuer (in consultation with the Calculation Agent) , determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Issuer will appoint an agent (the **Replacement Rate Determination Agent**) which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Issuer, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (zz) such other entity that the Issuer determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Issuer (in consultation with the Calculation Agent) or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Agent and the Noteholders.

Following the designation of a SOFR Replacement, the Issuer (in consultation with the Calculation Agent) may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement Provisions above, the following definitions shall apply:

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Relevant Governmental Body means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or

convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

SOFR Benchmark means (a) (unless “SOFR Index with Observation Shift” is specified in the applicable Final Terms) SOFR or (b) SOFR Index (each as defined in Condition 3.3(b)(iv)(C) above);

SOFR Replacement means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Issuer (in consultation with the Calculation Agent) determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

- (a) the order of priority specified SOFR Replacement Alternatives Priority in the applicable Final Terms; or
- (b) if no such order of priority is specified, in accordance with the priority set forth below:
 - (i) Relevant Governmental Body Replacement;
 - (ii) ISDA Fallback Replacement; and
 - (iii) Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

SOFR Replacement Alternatives means:

- (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the **Relevant Governmental Body Replacement**);
- (b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the **ISDA Fallback Replacement**); or
- (c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the **Industry Replacement**);

SOFR Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable SOFR Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (b) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (c) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate securities at such time;

SOFR Replacement Conforming Changes means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

SOFR Replacement Date means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) in the case of sub-paragraphs (a) or (b) of the definition of “SOFR Transition Event” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or
- (b) in the case of sub-paragraph (c) of the definition of “SOFR Transition Event” the date of the public statement or publication of information referenced therein; or
- (c) in the case of sub-paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than

three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

SOFR Transition Event means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

Unadjusted SOFR Replacement means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

(v) *Floating Rate Notes which are CMS Linked Interest Notes*

Where the Reference Rate is specified as being the CMS Reference Rate, the Rate of Interest for each Interest Period will be calculated by the relevant Calculation Agent in accordance with the provisions set out below and the following formula:

CMS Rate + Margin

As used above:

CMS Linked Interest Notes means Floating Rate Notes where the Reference Rate is specified to be the CMS Rate.

CMS Rate shall mean the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the relevant Calculation Agent.

If the Relevant Screen Page is not available, the relevant Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If three or more of the Reference Banks provide the relevant Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) 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).

For this purpose:

Margin has the meaning specified in the Final Terms.

Reference Banks means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Issuer.

Relevant Screen Page has the meaning specified in the Final Terms.

Relevant Swap Rate means:

- (A) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of 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 with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity

determined by the relevant Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

- (B) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (C) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (D) where the Reference Currency is any other currency, the mid-market swap rate as determined by the relevant Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

Relevant Time has the meaning specified in the Final Terms.

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time.

If on any Interest Determination Date fewer than three or none of the Reference Banks provides the relevant Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the relevant Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the

provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.3:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*).

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.3 by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3.4 Benchmark Discontinuation

If the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event (as defined below) has occurred in relation to an Original Reference Rate, other than SOFR, when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer and the Independent Adviser (acting in good faith and in a commercially reasonable manner) determining, no later than three Business Days prior to the relevant Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3.4(a) below) and, in either case, an Adjustment Spread if any (in accordance with Condition 3.4(b) below) and any Benchmark Amendments (in accordance with Condition 3.4(c) below).

(a) Successor Rate or Alternative Rate

If the Issuer and the Independent Adviser (acting in good faith and in a commercially reasonable manner):

- (i) agree that there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3.4(b) below) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 3.4); or
- (ii) agree that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3.4(b) below) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 3.4 above).

If the Issuer (i) is unable to appoint an Independent Adviser or (ii) the Issuer and the Independent Adviser, acting in good faith and in a commercially reasonable manner, do not agree on the selection of a Successor Rate or an Alternative Rate, the fallback provisions set out in Conditions 3.2 (*Interest on Fixed Reset Notes*) and 3.3 (*Interest on Floating Rate Notes*) and the applicable Final Terms, as the case may be, shall continue to apply. For the avoidance of doubt, this Condition 3.4(a) shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.4(a).

(b) Adjustment spread

If the Issuer and the Independent Adviser agree (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).

(c) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3.4 and the Issuer and the Independent Adviser agree: (i) that amendments to these Conditions and/or the Agency Agreement 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 Issuer and the Principal Paying Agent shall, subject to giving notice thereof in accordance with Condition 3.4(d) below,

without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 3.4, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 3.4(c) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 3.4(c), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 3.4, no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Notes as Tier 2 capital or Eligible Liabilities, in each case of the Issuer or the Group, as applicable, or could reasonably result in the Regulator and/or the Relevant Resolution Authority treating any future Interest Payment Date (including any Reset Date) as the effective maturity of the Notes, rather than the relevant Maturity Date.

(d) Notice

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3.4 will be notified promptly by the Issuer to the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the Issuer, the Paying Agents and the Noteholders.

No later than the date on which the Issuer notifies the Noteholders of the same, the Issuer shall deliver to the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) any Adjustment Spread and (D) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 3.4;
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor or Alternative Rate and any Adjustment Spread.

The Agent shall display such certificate at its offices, for inspection by the Noteholders, at all reasonable times during normal business hours.

Each of the Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's or the Calculation Agent's or the Paying Agents' ability to rely on

such certificate as aforesaid) be binding on the Issuer, the Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 3.4, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3.4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(e) **Survival of Original Reference Rate Provisions**

Without prejudice to the obligations of the Issuer under Conditions 3.4(a) to (d) above, the Original Reference Rate and the fallback provisions provided for in Condition 3.2 (*Interest on Fixed Reset Notes*) and 3.3 (*Interest on Floating Rate Notes*) and the applicable Final Terms, as the case may be, will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 3.4.

(f) **Definitions**

In this Condition 3.4, the following expressions shall have the following meanings:

Adjustment Spread means either a spread or quantum (which may be positive or negative), or the 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, quantum, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital market transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the Issuer determines that no such spread is customarily applied) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iv) if no such spread, quantum, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion and following consultation with the Independent Adviser, and acting in good faith and in a commercially reasonable manner, determines to be appropriate, to reduce or eliminate to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Noteholders as a result of the

replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Alternative Rate means an alternative benchmark or screen rate which the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

Benchmark Amendments has the meaning given to it in Condition 3.4(c) above.

Benchmark Event means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will cease publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **Specified Future Date**) (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a Specified Future Date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will, by a Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is or will, by a Specified Future Date, be no longer representative of an underlying market; or
- (vi) it has or will, by a specified date within the following six months, become unlawful for any Paying Agent, Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) 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 occur until the date falling six months prior to such Specified Future Date.

Independent Adviser means an independent financial institution of recognised standing or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense).

Original Reference Rate means:

- (i) the originally-specified benchmark or screen rate (as applicable) used to determine the Interest Rate (or any component part thereof) on the Notes; or
- (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of this Condition 3.4,

as applicable.

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

- (i) 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
- (ii) 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.

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

3.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

4. PAYMENTS

4.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 6 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6 (*Taxation*)) any law implementing an intergovernmental approach thereto.

4.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 4.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 4.4 (*General provisions applicable to payments*)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 6 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose original nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the original nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

4.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

4.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 4, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

4.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7 (*Prescription*)) is:

- (a) 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:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; or
 - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

4.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 6 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (*Taxation*).

In these Conditions, **Final Redemption Amount** means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount to be determined by the Issuer as may be specified in the relevant Final Terms.

5. REDEMPTION AND PURCHASE

5.1 Redemption at maturity

Senior Notes and Senior Subordinated Notes will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

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

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

5.2 Redemption for tax reasons

Subject to Condition 5.7 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if this Note is not a Floating Rate Note); or
- (b) on any Interest Payment Date (if this Note is a Floating Rate Note),

on giving not less than 15 nor more than 60 calendar days' notice to the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if, as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction (as defined in Condition 6 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) the Issuer would not be entitled to claim a deduction in computing taxation liabilities in any Tax Jurisdiction (as defined in Condition 6 (*Taxation*)) in respect of any payment of interest to be made on the Notes on the occasion of the next payment date due under the Notes or the value of such deduction to the Issuer would be materially reduced; or
- (iii) the applicable tax treatment of the Notes would be materially affected,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (i) would be obliged to pay such additional amounts were a payment in respect of the Notes then due, (ii) would no longer be entitled to claim a deduction or the amount of such deduction would be materially reduced or (iii) would be obliged to apply the materially affected applicable tax treatment.

Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall (i) deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) use its best efforts to deliver to the Agent to make available at its specified office to the Noteholders an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and, in the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, a copy of the permission of the Regulator and/or the Relevant Resolution Authority, to redemption, if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

Notes redeemed pursuant to this Condition 5.2 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption for taxation reasons in the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, will be subject to the prior permission of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and may only take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time.

In these Conditions, a **Relevant Resolution Authority** means the *Fondo de Resolución Ordenada Bancaria (FROB)*, the Single Resolution Board (**SRB**) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Loss Absorbing Power (as defined in Condition 17 (*Loss Absorbing Power*)) from time to time.

5.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject in the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, to compliance with the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) then in force and subject to the prior permission of the Regulator and/or the Relevant Resolution Authority, if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), having given not less than 15 calendar days' notice to the Noteholders in accordance

with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In these Conditions, **Optional Redemption Date** means any date so specified in the applicable Final Terms and/or any date falling in the Optional Redemption Period specified in the applicable Final Terms, the first and last days inclusive. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will:

- (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot not more than 30 days prior to the date fixed for redemption and
- (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in either case, in compliance with applicable law.

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 5.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

This Condition 5.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than under any of Conditions 5.2 (*Redemption for tax reasons*), 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*), or 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*)), such option being referred to as an Issuer Call.

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

5.4 Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes

If the Notes are Tier 2 Subordinated Notes and Capital Event is specified as applicable in the applicable Final Terms, then upon the occurrence of a Capital Event as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law, Applicable Banking Regulations or of any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the first Tranche of Notes (including as a result of the implementation or applicability in Spain on or after the Issue Date of the EU Banking Reforms (as defined below)), the Tier 2 Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations then in force, and may only take place in accordance with Applicable Banking Regulations in force at the relevant time and subject to the prior permission of the Regulator, if and as required pursuant to such regulations, at any time, on giving not less than 15 nor more than 60 calendar days' notice to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

Tier 2 Subordinated Notes redeemed pursuant to this Condition 5.4 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the Conditions, **Capital Event** means the determination by the Issuer after consultation with the Regulator that all or part of the outstanding nominal amount of the Tier 2 Subordinated Notes is not or would likely not be eligible for inclusion in the Tier 2 Capital of the Issuer and/or Group (but, in the case of partial ineligibility, only if early redemption of the Tier 2 Subordinated Notes in such circumstances is permitted under then Applicable Banking Regulations) pursuant to then Applicable Banking Regulations (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer).

5.5 Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes

If the Notes are Subordinated Notes or Senior Notes and Eligible Liabilities Event is specified as applicable in the applicable Final Terms, then upon the occurrence of an Eligible Liabilities Event as a result of a change (or any pending change which the competent authority considers sufficiently certain) in Spanish law or Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) or of any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the relevant Senior Notes or Subordinated Notes, as applicable, may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) then in force, and may only take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time and subject to the permission of the Regulator and/or the Relevant Resolution Authority, if and as required pursuant to such regulations, at any time, on giving not less than 15 nor more than 60 calendar days' notice to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

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

Senior Notes and Subordinated Notes redeemed pursuant to this Condition 5.5 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the Conditions, **Eligible Liabilities Event** means:

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

- (ii) to the relevant Notes being bought back by or on behalf of the Issuer; or
 - (iii) to a subordination requirement being applied by the Relevant Resolution Authority for such Notes to be eligible to comply with MREL Requirements; or
 - (iv) there being insufficient headroom for such Notes to qualify as Eligible Liabilities within prescribed limits established by Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain);
- (b) in respect of Senior Non-Preferred Notes, the determination by the Issuer after consultation with the Regulator and/or the Relevant Resolution Authority, that all or part of the outstanding principal amount of such Notes will not at any time prior to the Maturity Date fully qualify as MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the Group, except where the non-qualification as MREL-Eligible Senior Non-Preferred Instruments is due:
 - (i) solely to the remaining maturity of such Notes (or effective remaining maturity where the Notes, for example, are subject to an Investor Put) being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain) as at the Issue Date; or
 - (ii) to the relevant Notes being bought back by or on behalf of the Issuer; and
- (c) in respect of Subordinated Notes, the determination by the Issuer after consultation with the Regulator and/or the Relevant Resolution Authority, that all or part of the outstanding principal amount of such Notes will not at any time prior to the Maturity Date fully qualify to comply with MREL Requirements of the Issuer and/or the Group, except where the non-qualification is due:
 - (i) solely to the remaining maturity of such Notes (or effective remaining maturity where the Notes, for example, are subject to an Investor Put) being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain) as at the Issue Date; or
 - (ii) to the relevant Notes being bought back by or on behalf of the Issuer.

An Eligible Liabilities Event shall, without limitation, be deemed to have occurred where such ineligibility for inclusion of Ordinary Senior Notes eligible to comply with MREL Requirements and Senior Non-Preferred Notes in the Eligible Liabilities or for Subordinated Notes to comply with the MREL Requirements arises as a result of (a) any Spanish legislation implementing or giving effect to the EU Banking Reforms differing in any respect from the form of the EU Banking Reforms as adopted (including if the EU Banking Reforms are not implemented in full in Spain) or (b) the official interpretation or application of the EU Banking Reforms or the EU Banking Reforms as implemented in Spain (including any interpretation or pronouncement by any relevant court, tribunal or authority) differing in any respect from the manner in which the EU Banking Reforms have been reflected in the Terms and Conditions of the Notes and including, in particular, a determination or interpretation of the existence of an embedded derivative against the literal terms of the last paragraph of Article 72a.2 of CRR.

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 4, the BRRD and those laws, regulations, requirements, guidelines and policies giving effect to

the MREL, in each case to the extent then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group) (in all cases, as amended from time to time).

BRRD 2 means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

CRD 5 Directive means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

CRR 2 means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.

EU Banking Reforms means the CRD 5 Directive, BRRD 2, CRR 2 and the SRM Regulation 2.

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 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, or any successor requirement under EU legislation and relevant implementing legislation and regulation in Spain.

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

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

MREL Requirements means the minimum requirement for own funds and Eligible Liabilities applicable to the Issuer and/or the Group under Applicable MREL Regulations.

SRM Regulation 2 means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.

5.6 Redemption at the option of the Noteholders (Investor Put)

This Condition 5.6 applies to Senior Notes and Senior Subordinated Notes, if specified as being applicable in the applicable Final Terms, and if allowed under the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 5.6 for full information on any Investor Put. In

particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than 30 nor more than 60 calendar days (or such other period(s) as may be specified in the applicable Final Terms), the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. No such redemption option will be applicable to any Tier 2 Subordinated Notes, unless as permitted under Applicable Banking Regulations.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 5.6 accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 5.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.6 and instead to declare such Note forthwith due and payable pursuant to Condition 8 (*Events of Default*).

5.7 Early Redemption Amounts

For the purpose of Conditions 5.2 (*Redemption for tax reasons*), 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*) and 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*) above and Condition 8 (*Events of Default*) each Note will be redeemed at its Early Redemption Amount as specified in the relevant Final Terms.

5.8 Purchases

The Issuer or any Subsidiary of the Issuer may purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

In the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, the purchase of the relevant Notes by the Issuer or any of its Subsidiaries shall take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time and will be subject to the prior permission of the Regulator and/or the Relevant Resolution Authority, if and as required

therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

5.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5.8 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6. TAXATION

6.1 Taxation in respect of Ordinary Senior Notes

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

- (a) presented for payment in Spain; or
- (b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Ordinary Senior Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Ordinary Senior Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4.5 (*Payment Day*)); or
- (d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporation Income Tax if the Spanish Tax Authorities determine that the Ordinary Senior Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning the identity and tax residence of the holder of the Ordinary Senior Notes as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

6.2 Taxation in respect of the Senior Non-Preferred and Subordinated Notes

All payments in respect of the Senior Non-Preferred and Subordinated Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction

unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of interest (but not in respect of payments of principal or any premium) as shall be necessary in order that the net amounts received by the Senior Non-Preferred and Subordinated Noteholders or Couponholders after such withholding or deduction shall equal the amount of interest which would otherwise have been receivable in respect of the Senior Non-Preferred and Subordinated Notes or their respective Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Senior Non-Preferred and Subordinated Notes or their respective Coupons:

- (a) presented for payment in Spain; or
- (b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Senior Non-Preferred and Subordinated Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Senior Non-Preferred and Subordinated Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4.5 (*Payment Day*)); or
- (d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporation Income Tax if the Spanish Tax Authorities determine that the Senior Non-Preferred and Subordinated Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such Senior Non-Preferred and Subordinated Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

As used herein:

Tax Jurisdiction means Spain or any political subdivision or any authority thereof or therein having power to tax; and

Relevant Date means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

See "*Taxation – Spain – Simplified information procedures*" for a fuller description of certain tax considerations relating to the Notes, the formalities which must be followed in order to claim exemption from withholding tax and for a description of certain disclosure requirements imposed on the Issuer.

7. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6 (*Taxation*) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 7 or Condition 4.2 (*Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 4.2 (*Presentation of definitive Notes and Coupons*).

8. EVENTS OF DEFAULT

8.1 Events of Default relating to the Notes

If:

- (a) any order is made by any competent court or resolution passed for the winding-up or liquidation of the Issuer; or
- (b) so specified in the Final Terms, any Additional Event of Default (as defined in Condition 8.2 (*Additional Events of Default relating to Ordinary Senior Notes*)) occurs and is continuing,

(each an **Event of Default**), then any Noteholder of the relevant Series in respect of such Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the relevant Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their Early Redemption Amount together with all accrued interest thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

Except as contemplated under Condition 8.1(a) above and unless it is specified in the Final Terms that Additional Events of Default apply, each Noteholder and Couponholder (which for these purposes includes each holder of a beneficial interest in the Notes or the Coupons) will under no circumstances be entitled to declare any Notes due and payable, it being therefore understood that the non performance by the Issuer of its obligations under the Notes will not constitute an Event of Default.

8.2 Additional Events of Default relating to Ordinary Senior Notes

- (a) This Condition 8.2(a) only applies to Ordinary Senior Notes, in addition to Condition 8.1, if so specified in the applicable Final Terms as being applicable to the Ordinary Senior Notes and references to “Notes” shall be construed accordingly.

If this Condition 8.2(a) applies, each of the following events shall be an **Additional Event of Default**:

- (i) **Non-payment**: the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or
- (ii) **Breach of other obligations**: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or, as the case may be, the Agency Agreement, as the case may be, the Deed of Covenant and such default remains unremedied for 30 days or after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or
- (iii) **Cross-default of Issuer or Relevant Subsidiary**:
 - (A) any Indebtedness for Borrowed Money of the Issuer or any of its Relevant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or

- (B) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the Relevant Subsidiaries or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness for Borrowed Money,

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

- (iv) **Unsatisfied judgment:** one or more final judgment(s) or order(s) for the payment of any amount which individually or in the aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Relevant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (v) **Security enforced:** any Security Interest created or assumed by the Issuer or any of its Relevant Subsidiaries becomes enforceable and any steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) provided that the Indebtedness for Borrowed Money to which such Security Interest relates either individually or in the aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies); or
- (vi) **Cessation of business:** the Issuer (or any of its Relevant Subsidiaries) ceases or threatens to cease to carry on the whole or a substantial part of its business (except in any such case for the purpose of a Permitted Reorganisation) or the Issuer (or any of its Relevant Subsidiaries) stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class thereof) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vii) **Insolvency proceedings:** (i)(A) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against it, and in respect of any of the Issuer's Relevant Subsidiaries, proceedings are initiated against any such Relevant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (except in any such case for the purpose of a Permitted Reorganisation); or (B) an application made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer (or any of its Relevant Subsidiaries) or in relation to the whole or any substantial part of the undertaking or assets of any of them; or (C) an encumbrance takes possession of the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); or (D) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); and (ii) in any case is or are not discharged within 30 days; or
- (viii) **Arrangements with creditors:** the Issuer (or any of its Relevant Subsidiaries) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or
- (ix) **Failure to take action etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Deed of

Covenant, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of Spain or England is not taken, fulfilled or done; or

- (x) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant.

- (b) For the purpose of this Condition 8:

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

Permitted Reorganisation means:

- (a) with respect to the Issuer, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) where the entity resulting from any such reconstruction, merger or amalgamation is (A) a financial institution (*entidad de crédito*) under Article 1 of Law 10/2014 (or any other law or regulation which may replace it in the future), as amended and restated and (B) has a rating for long-term senior debt assigned by S&P Global Ratings Europe Limited, Moody's Investors Service España, S.A., Fitch Ratings Ireland Limited or DBRS Ratings GmbH equivalent to or higher than the rating for long-term senior debt of the Issuer immediately prior to such reconstruction, merger or amalgamation; and
- (b) with respect to a Relevant Subsidiary, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) is on a solvent basis.

When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: **materially weaker** shall mean that two of the four Rating Agencies modify at least by three lower notches the rating previously applied to the Issuer; and **Rating Agencies** shall mean S&P Global Ratings Europe Limited, Moody's Investors Service España, S.A., Fitch Ratings Ireland Limited and DBRS Ratings GmbH.

Relevant Subsidiary means, at any particular time, any Subsidiary of the Issuer:

- (a) whose net assets represent not less than 10 per cent. of the net consolidated assets of the Group as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the most recently published audited consolidated accounts of the Issuer; or
- (b) whose gross revenues represent not less than 10 per cent. of the gross consolidated revenues of the Group, all as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer.

For the purposes of this definition:

- (i) *if there shall not at any time be any relevant audited consolidated accounts of the Issuer, references thereto herein shall be deemed to be references to a consolidation (which need not be audited) by the Issuer of the relevant audited accounts of the Issuer and its Subsidiaries;*

- (ii) *if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated gross revenues shall be determined on the basis of pro forma consolidated accounts (which need not be audited) of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Issuer;*
- (iii) *if (A) any Subsidiary shall not in respect of any relevant financial period for whatever reason produce audited accounts or (B) any Subsidiary shall not have produced at the relevant time for the calculations required pursuant to this definition audited accounts for the same period as the period to which the latest audited consolidated accounts of the Issuer relate, then there shall be substituted for the purposes of this definition the management accounts of such Subsidiary for such period;*
- (iv) *where any Subsidiary is not wholly owned by the Issuer there shall be excluded from all calculations all amounts attributable to minority interests;*
- (v) *in calculating any amount all amounts owing by or to the Issuer and any Subsidiary to or by the Issuer and any Subsidiary shall be excluded; and*
- (vi) *in the event that accounts of any companies being compared are prepared on the basis of different generally accepted accounting principles, there shall be made such adjustments to any relevant financial items as are necessary to achieve a true and fair comparison of such financial items.*

8.3 Green, Social or Sustainability Notes

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

9. WAIVER OF SET-OFF

No Noteholder may at any time exercise or claim any or all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note (the **Waived Set-Off Rights**) against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each Noteholder 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 Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition 9 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 Noteholder of any Note but for this Condition 9.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require and in accordance with applicable law. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

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

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 7 (*Prescription*).

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) if the rules of the exchange on which the Notes are listed so require, in a leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*), or (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of Euronext Dublin, on the Euronext Dublin's website, www.euronext.com/en/markets/dublin. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

14.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the nominal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the nominal amount or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way

of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

14.2 Modification

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification of, the Notes, the Coupons or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law; or
- (b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. SUBSTITUTION OF THE ISSUER

- (a) The Issuer (or any previous substitute under this Condition 16) may, with respect to any Series of Notes issued by it (the **Relevant Notes**), without the further consent of the Noteholders but, subject to such substitution being in compliance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and subject to the prior permission of the Regulator and/or the Relevant Resolution Authority, if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), be replaced and substituted by any of its wholly owned Subsidiaries as the principal debtor in respect of the Notes, Coupons, Talons and the Deed of Covenant (the **Substituted Debtor**), provided that:
 - (i) the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;
 - (ii) the Issuer (or any previous substitute under this Condition 16) and the Substituted Debtor have granted or entered into a deed poll and such other documents (the **Documents**) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions and the provisions of the Agency Agreement and the Deed of Covenant as the debtor in respect of such Notes in place of the Issuer (or of any previous substitute under this Condition 16) and pursuant to which the Issuer shall unconditionally and irrevocably guarantee (the **New Guarantee**) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor with the Issuer's obligations under the New Guarantee ranking

pari passu with the Issuer's obligations under the Notes prior to the substitution becoming effective;

- (iii) if the Substituted Debtor is resident for tax purposes in a territory (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**) the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 6 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence. The Documents also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution pursuant to this Condition 16 and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iv) the Documents contain a warranty and representation by the Substituted Debtor and the Issuer that the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the giving by the Issuer of the New Guarantee in respect of the obligations of the Substituted Debtor and for the performance by each of the Substituted Debtor and the Issuer of their respective obligations under the Documents and that all such approvals and consents are in full force and effect;
- (v) each stock exchange on which the Relevant Notes are listed has confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be listed on such stock exchange (of the Issuer or the Substituted Debtor is otherwise satisfied of the same);
- (vi) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of incorporation of the Substituted Debtor and the country which laws governs this Programme, confirming, as appropriate, that upon the substitution taking place the Notes, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor enforceable in accordance with their terms;
- (vii) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country which law governs the Documents that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms;
- (viii) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in England that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the parties thereto under English law;
- (ix) any rating agency which has issued a rating in connection with the Relevant Notes shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Relevant Notes will remain the same or be improved;

- (x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Notes and any Coupons and the Documents; and
 - (xi) the substitution complies with all applicable requirements established under the applicable laws.
- (b) Upon the execution of the Documents and the delivery of the legal opinions, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer (or any previous substitute under this Condition 16) under the Relevant Notes and any related Coupons or Talons and the Agency Agreement and the Deed of Covenant with the same effect as if the Substituted Debtor had been named as the principal debtor in place of the Issuer herein, and the Issuer or any previous substitute under these provisions shall, upon the execution of the Documents be released from its obligations under the Relevant Notes and any related Coupons or Talons and under the Agency Agreement and the Deed of Covenant.
- (c) After a substitution pursuant to Condition 16(a) above, the Substituted Debtor may, without the further consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 16(a) and 16(b) above shall apply, *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (d) After a substitution pursuant to Condition 16(a) or 16(c) above any Substituted Debtor may, without the further consent of any Noteholder, reverse the substitution, *mutatis mutandis*.
- (e) The Documents shall be delivered to, and kept by, the Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated or settled or discharged. Copies of the Documents will be available free of charge at the specified office of each of the Agents.
- (f) Not later than 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 13 (*Notices*).

17. LOSS ABSORBING POWER

17.1 Acknowledgement

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 17 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (a) to be bound by the effect of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
 - (i) the reduction of all, or a portion, of the Amounts Due on a permanent basis;
 - (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

- (iii) the cancellation of the Notes or Amounts Due;
 - (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Loss Absorbing Power by the Relevant Resolution Authority.

17.2 Payment of Interest and Other Outstanding Amounts Due

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Loss Absorbing Power by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

17.3 Notice to Noteholders

Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the Noteholders as soon as practicable regarding such exercise of the Loss Absorbing Power. The Issuer will also deliver a copy of such notice to the Agent for information purposes. No failure or delay by the Issuer to deliver a notice to the Noteholders shall affect the validity or enforceability of the exercise of the Loss Absorbing Power.

17.4 Duties of the Agents

Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority, (a) the Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon any of the Agents whatsoever, in each case with respect to the exercise of any Loss Absorbing Power by the Relevant Resolution Authority.

17.5 Proration

If the Relevant Resolution Authority exercises the Loss Absorbing Power with respect to less than the total Amounts Due, unless any of the Paying Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Loss Absorbing Power will be made on a pro-rata basis.

17.6 Condition Exhaustive

The matters set forth in this Condition 17 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any Noteholder.

17.7 No Event of Default

None of a cancellation of the Notes, a reduction in the Amount Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to the Issuer or the exercise of the Loss Absorbing Power with respect to the Notes will be an Event of Default or otherwise constitute non-performance of a contractual obligation, or entitle the Noteholders to any remedies (including equitable remedies) which are hereby expressly waived.

17.8 Definitions

In this Condition 17:

Amounts Due means the principal amount of or outstanding amount, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes under Condition 6 (*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.

Loss Absorbing Power means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) 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 superseded from time to time, including by the SRM Regulation 2, the **SRM Regulation**) and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations of such Regulated Entity (or affiliate of such Regulated Entity).

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

18. SUBSTITUTION AND VARIATION

18.1 This Condition 18.1 applies to Ordinary Senior Notes eligible to comply with MREL Requirements, Subordinated Notes and Senior Non-Preferred Notes.

If an Alignment Event or circumstance giving rise to the right of the Issuer to redeem the Ordinary Senior Notes eligible to comply with MREL Requirements, Subordinated Notes or Senior Non-Preferred Notes under Condition 5.2 (*Redemption for tax reasons*), Condition 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*) or Condition 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*) occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they are substituted for, or varied to become or remain, Qualifying Notes, subject to giving not less than 15 nor more than 60 calendar days' notice to the Noteholders in accordance with Condition 13 (*Notices*) and the Agent (which notice shall be irrevocable and specify the date for substitution or, as applicable, variation), and subject to obtaining the prior permission of the Regulator and/or Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the relevant Notes. Such substitution or variation shall be effected without any cost or charge to the Noteholders.

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

18.2 In the Conditions:

An **Alignment Event** is deemed to have occurred if there is a change in, or amendment to, the Applicable MREL Regulations, or any change in the application or interpretation thereof, that results in the requirements for Ordinary Senior Notes to qualify as MREL-Eligible Senior Preferred Instruments, for Senior Non-Preferred Notes to qualify as MREL-Eligible Senior Non-Preferred Instruments and for Subordinated Notes to comply with MREL Requirements being different in any respect from the Conditions, provided that if an event or circumstance which would otherwise constitute an Alignment Event also constitutes an Eligible Liabilities Event, it will be treated as an Eligible Liabilities Event and will not constitute an Alignment Event.

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

Qualifying Notes means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer that have terms not otherwise materially less favourable to the Noteholders than the terms of the Ordinary Senior Notes eligible to comply with MREL Requirements, the Subordinated Notes and the Senior Non-Preferred Notes (as applicable) provided that the Issuer shall have delivered a certificate signed by two authorised signatories to that effect to the Noteholders in accordance with Condition 13 (*Notices*) and the Agent not less than five Business Days prior to (x) in the case of a substitution of the Notes, the issue date of the relevant securities or (y) in the case of a variation of the Notes, the date such variation becomes effective, provided that such securities shall:

- (a) (i) in the case of Ordinary Senior Notes eligible to comply with MREL Requirements, contain terms that comply with the then current requirements for MREL-Eligible Senior Preferred Instruments of the Issuer and/or the Group; (ii) in the case of Senior Non-Preferred Notes, contain terms that comply with the then current requirements for MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the Group; (iii) in the case of Senior Subordinated Notes contain terms which comply with the then current MREL Requirements, in each case as embodied in the Applicable MREL Regulations; and (iv) in the case of Tier 2 Subordinated Notes, contain terms which comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer and/or the Group, as embodied in the Applicable Banking Regulations; and
- (b) carry the same rate of interest as the Notes prior to the relevant substitution or variation; and
- (c) have the same denomination and aggregate outstanding principal amount as the Notes prior to the relevant substitution or variation; and
- (d) have the same date of maturity and the same dates for payment of interest as the Notes prior to the relevant substitution or variation; and
- (e) have a ranking which is the same as or higher than the ranking of the Notes set out in the applicable Final Terms; and
- (f) not, immediately following such substitution or variation, be subject to (i) in the case of Senior Notes and Subordinated Notes, an Eligible Liabilities Event or an early redemption right for taxation reasons according to Condition 5.2 (*Redemption for tax reasons*); and (ii) in the case

of Tier 2 Subordinated Notes, a Capital Event or an early redemption right for taxation reasons according to Condition 5.2 (*Redemption for tax reasons*); and

- (g) be listed or admitted to trading on any stock exchange as selected by the Issuer, if Notes were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation.

For the avoidance of doubt, (i) any change in the governing law of the Notes from English law to Spanish law so that the English Law Notes become again or remain Qualifying Notes shall not be subject to the requirement not to be materially less favourable to the interests of the Holders of the English Law Notes, and (ii) any variation in the ranking of the relevant Notes as set out in Condition 2 (*Status of the Senior Notes and Subordinated Notes*) resulting from any such substitution or modification (including, *inter alia*, through the removal of an Issuer Call) shall be deemed not to be materially less favourable to the interests of the Holders of the Notes where the ranking of such Notes following such substitution or modification is at least the same ranking as is applicable to such Notes as set out in the applicable Final Terms on the issue date of such Notes.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The status of the Notes, the capacity of the Issuer, the relevant corporate resolutions and the provisions relating to the exercise and effect of the Loss Absorbing Power by the Relevant Resolution Authority and the acknowledgment of the same are governed by Spanish law. The Agency Agreement, the Deed of Covenant, the Notes (save as provided above), the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law. The Notes are issued in accordance with the formalities prescribed by Spanish company law.

20.2 Submission to jurisdiction

- (a) Subject to Condition 20.2(c) and 20.2(d) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) Notwithstanding the above, each of the Issuer and any Noteholder submits to the exclusive jurisdiction of the Spanish courts, in particular, to the venue of the city of Valencia, in relation to any dispute arising out of or in connection with the application of any Loss Absorbing Power by the Relevant Resolution Authority (a **Bail-in Dispute**). Each of the Issuer and any Noteholder in relation to a Bail-in Dispute further waives any objection to the Spanish courts on the grounds that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

- (d) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes (other than a Bail-in Dispute), take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer appoints CaixaBank, S.A., United Kingdom Branch at 8th floor, 63 St Mary Axe, London EC3A 8AA, as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of CaixaBank, S.A., United Kingdom Branch being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

TERMS AND CONDITIONS OF THE SPANISH LAW NOTES

The following are the Terms and Conditions of the Spanish Law Notes, if so specified in Part A – Contractual Terms of the Final Terms, which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by CaixaBank, S.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 27 April 2021 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent** or the **Principal Paying Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Notes, have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Agency Agreement (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of Euronext Dublin the applicable Final Terms will be published on the website of Euronext Dublin (www.euronext.com/en/markets/dublin). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions:

euro means 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;

Calculation Agent means the Agent, or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount and such other amount(s) as may be specified in the applicable Final Terms.

Calculation Amount has the meaning given in the applicable Final Terms;

Group means the Issuer and its Subsidiaries; and

Subsidiary means, in relation to an entity, any entity controlled by that first person entity where control is determined in accordance with Regulation 43 of Circular 4/2017, of 27 November, of the Bank of Spain as amended from time to time (*Norma 43 de la Circular 4/2017, de 27 de noviembre, del Banco de España*), whether any such entity is a financial institution or not.

For the avoidance of doubt, an Ordinary Senior Note will be deemed to be **eligible to comply with MREL Requirements** even if it is not so eligible provided that its ineligibility arises solely as a result of the circumstances described in paragraphs (a)(i) to (iv) of the definition of Eligible Liabilities Event.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Fixed Reset Note or a Floating Rate Note (which term includes a CMS Linked Interest Note if this Note is specified as such in the Final Terms), or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may also be a Senior Note or a Subordinated Note and, in the case of a Senior Note, an Ordinary Senior Note or a Senior Non-Preferred Note, and in the case of a Subordinated Note, a Senior Subordinated Note or a Tier 2 Subordinated Note, all as indicated in the applicable Final Terms.

Definitive Notes are issued with Coupons attached.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall not be required to obtain any proof thereof or as to the identity of such bearer but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notwithstanding the above, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes or the Maturity Date has occurred and, in either case, payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day, each account holder which has Notes represented by such Global Note credited to its securities accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer and will acquire all those rights that it would have had if at the relevant time it held, executed and authenticated definitive Notes in respect of the relevant Notes (including the right to claim and receive all payments due at any time in respect of the relevant Notes) under the provisions of this Condition 1 and the relevant Global Note and, from that time, the bearer of the Global Note will have no further rights under such Global Note (but without prejudice to the rights which the bearer or any other person may have as a holder of Notes other than the Global Note).

2. STATUS OF THE SENIOR NOTES AND SUBORDINATED NOTES

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

2.1 Status of the Senior Notes

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

The Senior Non-Preferred Notes constitute non-preferred ordinary claims (*créditos ordinarios no preferentes*) under Additional Provision 14.2° of Law 11/2015. It is expressly stated for the purposes of Additional Provision 14.2° of Law 11/2015 that upon the insolvency of the Issuer, the Senior Non-Preferred Notes will rank below any other ordinary claims (*créditos ordinarios*) against the Issuer and accordingly, claims in respect of the Senior Non-Preferred Notes shall be paid after payment of any

such other ordinary (*créditos ordinarios*) claims of the Issuer. The Senior Non-Preferred Notes are intended to comply with the requirements of Article 72b of CRR so that they qualify as eligible liability instruments for the purposes of Article 72a of CRR. Accordingly, as set out in Article 72a of CRR, the Senior Non-Preferred Notes shall not be considered as debt instruments with embedded derivatives solely because of any Issuer Call or Investor Put for the purposes of Additional Provision 14.2° of Law 11/2015.

Therefore, in accordance with the Insolvency Law and Additional Provision 14.2° of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer, the payment obligations of the Issuer under the Senior Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 281 of the Insolvency Law) will rank:

- (a) in the case of Ordinary Senior Notes:
 - (i) **senior** to (A) any Senior Non-Preferred Obligations and (B) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law (or equivalent legal provision which replaces it in the future); and
 - (ii) ***pari passu*** among themselves and with any other Senior Preferred Obligations; and
- (b) in the case of Senior Non-Preferred Notes:
 - (i) **senior** to any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law (or equivalent legal provision which replaces it in the future);
 - (ii) ***pari passu*** among themselves and with any other Senior Non-Preferred Obligations; and
 - (iii) **junior** to any Senior Preferred Obligations.

In the Conditions:

Insolvency Law means the restated text of the Spanish Insolvency Law approved by Legislative Royal 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.

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.

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

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

In the event of insolvency (concurso) of the Issuer, under the currently in force Insolvency Law (as defined below), claims relating to Senior Notes (which are not subordinated pursuant to Article 281 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law.

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

Pursuant to Article 152 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims of Senior Noteholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of Article 281.1.3° of the Insolvency Law (including without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Issuer).

The obligations of the Issuer under the Senior Notes are subject to the Loss Absorbing Power.

2.2 Status of the Subordinated Notes

The payment obligations of the Issuer in respect of principal under Notes which specify their status as Subordinated Notes in the relevant Final Terms (**Subordinated Notes**, which may be, in turn, Senior Subordinated Notes (**Senior Subordinated Notes**) or Tier 2 Subordinated Notes (**Tier 2 Subordinated Notes**), as specified in the relevant Final Terms) constitute direct, unconditional and subordinated obligations of the Issuer. In accordance with the Insolvency Law and Additional Provision 14.3° of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer the payment obligations of the Issuer under the Subordinated Notes in respect of principal, will rank:

- (a) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes do not constitute Tier 2 Instruments of the Issuer:
 - (i) **senior** to (i) any claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments or Tier 2 Instruments; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under the Senior Subordinated Notes;
 - (ii) **pari passu** among themselves and with (i) all other claims for principal in respect of contractually subordinated obligations of the Issuer not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments of the Issuer; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* to the Issuer's obligations under the Senior Subordinated Notes; and
 - (iii) **junior** to (i) any unsubordinated obligations of the Issuer (including any Senior Non-Preferred Obligations); and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the Senior Subordinated Notes.
- (b) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes constitute Tier 2 Instrument of the Issuer:
 - (i) **senior** to (i) any claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under the relevant Subordinated Notes;

- (ii) ***pari passu*** among themselves and with (i) any other claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Tier 2 Instruments, and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the relevant Subordinated Notes; and
- (iii) **junior** to (i) any unsubordinated obligations of the Issuer (including any Senior Non-Preferred Obligations); (ii) any claim for principal in respect of other contractually subordinated obligations of the Issuer not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments (such as the Senior Subordinated Notes, if and as applicable); and (iii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the relevant Subordinated Notes.

Senior Subordinated Notes are expected to rank as provided in paragraph (a) above on the basis that such Notes are not intended to qualify as Tier 2 Capital of the Issuer and/or the Group. Tier 2 Subordinated Notes are expected to rank as provided in paragraph (b) above on the basis that such Notes are intended to qualify as Tier 2 Capital of the Issuer and/or the Group.

The obligations of the Issuer under the Subordinated Notes are subject to the Loss Absorbing Power.

In the Conditions:

Applicable Banking Regulations means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Issuer and/or the Group including, without limitation to the generality of the foregoing, CRD 4, the BRRD and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect of the Regulator and / or the Relevant Resolution Authority, in each case to the extent then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group).

Additional Tier 1 Capital means Additional Tier 1 capital (*capital de nivel 1 adicional*) as provided under Applicable Banking Regulations.

Additional Tier 1 Instrument means any contractually subordinated obligation of the Issuer constituting an Additional Tier 1 instrument (*instrumento de capital de nivel 1 adicional*) in accordance with Applicable Banking Regulations and as referred to in Additional Provision 14.3(c) of Law 11/2015, as amended or replaced from time to time.

BRRD means Directive 2014/59/EU of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may amend or come into effect in place thereof (including the BRRD 2), as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions (in all cases, as amended from time to time).

CRD 4 means any or any combination of the CRD 4 Directive, the CRR, and any CRD 4 Implementing Measures.

CRD 4 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC or such other directive as may come into effect in place thereof (in all cases, as amended from time to time, including by the CRD 5 Directive).

CRD 4 Implementing Measures means any regulatory capital rules implementing the CRD 4 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 Regulator, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a stand-alone basis) or the Group (on a consolidated basis) including, without limitation, Law 10/2014, as amended from time to time, RD 84/2015, as amended from time to time, and any other regulation, circular or guidelines implementing CRD 4 (in all cases, as amended from time to time).

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 and amending Regulation (EU) No. 648/2012, or such other regulation as may come into effect in place thereof (in all cases, as amended from time to time, including by CRR 2).

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

RD 1012/2015 means Royal Decree 1012/2015, of 6 November, implementing 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.

RD 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.

Regulator means the *European Central Bank* or such other or successor authority exercising primary bank supervisory authority, or any other entity or institution carrying out such duties on its/their behalf (including the Bank of Spain), in each case with respect to prudential matters in relation to the Issuer and/or the Group.

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

Tier 2 Instrument means any contractually subordinated obligation of the Issuer constituting a Tier 2 instrument (*instrumentos de capital de nivel 2*) in accordance with the Applicable Banking Regulations and as referred to in Additional Provision 14.3(b) of Law 11/2015, as amended or replaced.

Under Spanish Law, accrual of interest on the Subordinated Notes shall be suspended from the date of the declaration of insolvency of the Issuer. Claims of Subordinated Noteholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims of the Issuer ranking in accordance with the provisions of Article 281 of the Insolvency Law.

3. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Fixed Reset Notes or Floating Rate Notes.

3.1 Interest on Fixed Rate Notes

This Condition 3.1 applies to Fixed Rate Notes only or Notes where the Final Terms specify that this Condition 3.1 applies for a limited period. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 3.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of

Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 365 (or, if any portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365);
- (c) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (d) if "30/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the interest period is the 31st day of a month but the first day of the interest period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the interest period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (e) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

3.2 Interest on Fixed Reset Notes

(a) Rates of Interest and Interest Payment Dates

Each Fixed Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;
- (ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and
- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

The provisions of this Condition 3.2 shall apply, as applicable, in respect of any determination by the Calculation Agent of the Rate of Interest for a Reset Period in accordance with this Condition 3.2 as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 3.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 3.1 (*Interest on Fixed Rate Notes*) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Conditions:

First Reset Rate means the sum of the Reset Margin and the Reset Reference Rate for the First Reset Period, adjusted as necessary;

Mid-Swap Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the rate for the Reset Date for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period;

Non-Sterling Reference Bond Rate means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

Reference Banks means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Issuer;

Reference Government Bond Dealer means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute

determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

Relevant Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Calculation Agent, for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable;

Reset Determination Date means the second Business Day immediately preceding the relevant Reset Date;

Reset Period means the First Reset Period or any Subsequent Reset Period, as the case may be;

Reset Period Mid-Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page;

Reset Reference Bank Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date will be 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 Mid-Swap Rate will be the last observable Mid-Swap Rate which appears on the Relevant Screen Page on or after the most recent Reset Date or, if none, the Issue Date, if any, as determined by the Agent. If no such Mid-Swap Rate is available on the Relevant Screen Page, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Mid-Swap Rate which last appeared on the Relevant Screen Page;

Reset Reference Bond means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer (after consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

Reset Reference Bond Price means, with respect to any Reset Determination Date:

- (a) if five or more Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such quotations; or
- (b) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (c) if only one Reference Government Bond Dealer Quotation is received, such quotation; or
- (d) if no Reference Government Bond Dealer Quotations are received, where U.S. Treasury Rate does not apply, in the case of the First Reset Rate, the Initial Reference Rate and, in the case of any Subsequent Reset Rate, the Reset Reference Rate as at the last preceding Reset Date; or where U.S. Treasury Rate does apply, the U.S. Treasury Rate shall be determined in accordance with the third paragraph in the definition of U.S. Treasury Rate;

Reset Reference Rate means one of the (i) Mid-Swap Rate, (ii) the Sterling Reference Bond Rate, (iii) the Non-Sterling Reference Bond Rate or (iv) the U.S. Treasury Rate, as specified in the applicable Final Terms;

Sterling Reference Bond Rate means with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

Subsequent Reset Rate means the sum of the applicable Reset Reference Rate and the Reset Margin on the relevant Reset Determination Date for any Subsequent Reset Period, adjusted as necessary; and

U.S. Treasury Rate means, with respect to any Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to: (1) the average of the yields on

actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption “Treasury constant maturities” at the Reset Determination Time on the Reset Determination Date in the applicable most recently published statistical release designated “H.15 Daily Update”, or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption “Treasury Constant Maturities”, for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset Reference Bond, calculated using a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date; or (3) if the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, “U.S. Treasury Rate” means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recently published statistical release designated “H.15 Daily Update” under the caption “Treasury constant maturities” (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity comparable with the Reset Period) and as at the Reset Determination Time on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

(b) **Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount**

The Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the other Paying Agents and any stock exchange or other relevant authority on which the relevant Reset Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day (where a **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London) thereafter.

(c) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.2 by the Agent shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Reset Period, then, in the event that the Rate of Interest in respect of such Reset Period determined in accordance with the provisions of paragraph (a) above is less than such Minimum Rate of Interest, the Rate of Interest for such Reset Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Reset Period, then, in the event that the Rate of Interest in respect of such Reset Period determined in accordance with the

provisions of paragraph (a) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Reset Period shall be such Maximum Rate of Interest.

3.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

This Condition 3.3 applies to Floating Rate Notes only or Notes where the Final Terms specify that this Condition 3.3 applies for a limited period. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 3.3 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply *mutatis mutandis* or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (i) 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 each Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes referencing EURIBOR or LIBOR, other than CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is EURIBOR or LIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such other replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subclause 3.3(b)(ii)(A), no offered quotation appears or, in the case of subclause 3.3(b)(ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the relevant financial centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose)

informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the relevant financial centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In these Conditions:

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate.

- (iii) *Screen Rate Determination for Floating Rate Notes referencing SONIA, other than CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 3.3(b)(iii)(A), Condition 3.3(b)(iii)(B) or Condition 3.3(b)(iii)(C) below, subject to the provisions of Condition 3.3(b)(iii)(D) and Condition 3.3(b)(iii)(E) below, as applicable.

- (A) Where the Calculation Method is specified in the applicable Final Terms as being “SONIA Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purpose of the Conditions:

Compounded Daily SONIA means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) and will be calculated as follows:

- (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_{i-\text{PLBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}; \text{ or}$$

- (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d} \text{ where, in each case:}$$

d is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d₀ means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, in respect of an Interest Period, the number of London Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, in respect of an Observation Period, the number of London Banking Days in the relevant Observation Period;

i is a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the applicable Final Terms, in the relevant Observation Period;

Interest Period End Date shall have the meaning specified in the applicable Final Terms;

Lock-out Period means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any London Banking Day_i, means the number of calendar days from and including such London Banking Day_i up to but excluding the following London Banking Day;

Observation Period means the period from and including the date falling “p” London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

p means, in respect of an Interest Period where “Lag” or “Shift” is specified as the Observation Method in the applicable Final Terms, five London Banking Days or such greater number of days as specified in the applicable Final Terms;

Reference Day means each London Banking Day in the relevant Interest Period that is not a London Banking Day falling in the Lock-out Period;

the **SONIA reference rate**, means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the London Banking Day immediately following such London Banking Day);

SONIA_i means, in respect of any London Banking Day i:

- (x) if “Lag” is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate in respect of pLBD in respect of such London Banking Day_i; or
- (y) if “Lock-out” is specified as the Observation Method in the applicable Final Terms:
 - (1) in respect of any London Banking Day_i that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise
 - (2) the SONIA reference rate in respect of the London Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;
- (z) if “Shift” is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate for such London Banking Day_i; and

SONIA_{i-pLBD} means:

- (x) if “Lag” is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Day_i, SONIA_i in respect of the London Banking Day falling “p” London Banking Days prior to such London Banking Day_i (**pLBD**); or
 - (y) if “Lock-out” is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Day_i, SONIA_i in respect of such London Banking Day_i.
- (B) Where the Calculation Method is specified in the applicable Final Terms as being “SONIA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purpose of the Conditions:

Compounded Daily SONIA Index means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the **SONIA Compounded Index**) and will be calculated as follows:

$$\left(\frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{365}{d}$$

where, in each case:

d is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index_{Start} is determined to (but excluding) the day in relation to which SONIA Compounded Index_{End} is determined;

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

p means five London Banking Days or such greater number of days as specified in the applicable Final Terms;

Compounded Index_{Start} means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the first day of such Interest Period; and

SONIA Compounded Index_{End} means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable).

- (C) Where the Calculation Method is specified in the applicable Final Terms as being “SONIA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purposes of the Conditions:

Weighted Average SONIA means:

- (x) where “Lag” is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or
- (y) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.

- (D) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 3.3(b)(iii)(B) above, if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with Condition 3.3(b)(iii)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (E) If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:
- I. (a) the Bank of England’s Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (b) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
 - II. if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the foregoing, in the event of the Bank of England publishing guidance as to (a) how the SONIA reference is to be determined or (b) any rate that is to replace the SONIA reference rate, the Calculation Agent, as applicable, shall follow such guidance to determine the SONIA reference rate for so long as the SONIA reference is not available or has not been published by the authorised distributors.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 3.3(b)(iii), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 8 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and

the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(iv) *Screen Rate Determination for Floating Rate Notes referencing SOFR, other than CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest (the **Screen Rate**) is to be determined and the applicable Final Terms specify that the Reference Rate is SOFR, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 3.3(b)(iv)(A) or Condition 3.3(b)(iv)(B) below, subject to the provisions of Condition 3.3(b)(iv)(D) below:

- (A) Where the Calculation Method is specified in the applicable Final Terms as being “SOFR Arithmetic Mean”, the Rate of Interest for each Interest Period will be the SOFR Arithmetic Mean plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the applicable Final Terms as being “SOFR Compound”, the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) The following definitions shall apply for the purpose of the Conditions:

Bloomberg Screen SOFRRATE Page means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

Compounded Daily SOFR means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the Interest Determination Date, as follows:

- I. if “SOFR Compound with Lookback” is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-\text{pUSBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

d means, in respect of an Interest Period, the number of calendar days in such Interest Period;

d₀ means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

i means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order

from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

Lookback Period or **p** means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

n_i means, in respect of a U.S. Government Securities Business Day_i, the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day;

SOFR_i means, in respect of each U.S. Government Securities Business Day_i, the SOFR in respect of such U.S. Government Securities Business Day; and

SOFR_{i-pUSBD} means, in respect of a U.S. Government Securities Business Day_i, SOFR_i in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business Days equal to the Lookback Period prior to such U.S. Government Securities Business Day_i (**pUSBD**), provided that, unless SOFR Cut-Off Date is specified as not applicable in the applicable Final Terms, SOFR_i in respect of each U.S. Government Securities Business Day_i in the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date, will be SOFR_i in respect of the SOFR Cut-Off Date for such Interest Period;

- II. if “SOFR Compound with Observation Period Shift” is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d means, in respect of an Observation Period, the number of calendar days in such Observation Period;

d₀ means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

i means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

n_i means, in respect of a U.S. Government Securities Business Day_i, the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day;

Observation Period means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

Observation Shift Days means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms; and

SOFR_i means, in respect of each U.S. Government Securities Business Day_i, the SOFR in respect of such U.S. Government Securities Business Day;

- III. if “SOFR Compound with Payment Delay” is specified in the applicable Final Terms:

$$\left[\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d} \right]$$

where:

d means, in respect of an Interest Period, the number of calendar days in such Interest Period;

d₀ means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

i means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

Interest Period End Dates shall have the meaning specified in the applicable Final Terms;

Interest Payment Dates shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Notes are to be redeemed prior to the Maturity Date, such earlier date on which the Notes become due and payable;

Interest Payment Delay means the number of U.S. Government Securities Business Days specified in the applicable Final Terms;

Interest Determination Date shall be the Interest Period End Date at the end of each Interest Period; provided that the Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

n_i means, in respect of a U.S. Government Securities Business Day_i the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day_i; and

SOFR_i means, for any U.S. Government Securities Business Day_i in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Day_i.

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Notes become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

- IV. if “SOFR Index with Observation Shift” is specified in the applicable Final Terms:

$$\left(\frac{\text{SOFR Index}_{\text{Final}}}{\text{SOFR Index}_{\text{Initial}}} - 1 \right) \times \frac{360}{d_c}$$

where:

d_c means, in respect of each Interest Period, the number of calendar days in the relevant Interest Period;

Interest Period End Dates shall have the meaning specified in the applicable Final Terms;

Observation Shift Days means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

SOFR Index means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve's Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's Website;

SOFR Index_{Final} means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

SOFR Index_{Initial} means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

NY Federal Reserve means the Federal Reserve Bank of New York;

NY Federal Reserve's Website means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

Reuters Page USDSOFR= means the Reuters page designated “USDSOFR=” or any successor page or service;

SOFR means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

- (i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the **SOFR Determination Time**) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day, as such rate is reported on the Bloomberg Screen SOFRRATE Page for such U.S. Government Securities Business Day or, if no such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate that is reported on the Reuters Page USDSOFR= or, if no such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day (the **SOFR Screen Page**); or
- (ii) if the rate specified in (i) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

SOFR Arithmetic Mean means, with respect to an Interest Period, the arithmetic mean of SOFR for each calendar day during such Interest Period, as calculated by the Calculation Agent, provided that, SOFR in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date will be SOFR on the SOFR Cut-Off Date. For these purposes, SOFR in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be SOFR in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

SOFR Cut-Off Date means, unless specified as not applicable in the applicable Final Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Interest Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the applicable Final Terms); and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding Conditions 3.3(b)(iv)(A) to 3.3(b)(iv)(B) above, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in

Condition 3.3(b)(iv)(D) (*SOFR Replacement Provisions*) below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(D) SOFR Replacement Provisions

If the Issuer (in consultation with the Calculation Agent) determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Issuer will appoint an agent (the **Replacement Rate Determination Agent**) which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Issuer, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (zz) such other entity that the Issuer determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Issuer (in consultation with the Calculation Agent) or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Agent and the Noteholders.

Following the designation of a SOFR Replacement, the Issuer (in consultation with the Calculation Agent) may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement Provisions above, the following definitions shall apply:

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Relevant Governmental Body means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or

convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

SOFR Benchmark means (a) (unless “SOFR Index with Observation Shift” is specified in the applicable Final Terms) SOFR or (b) SOFR Index (each as defined in Condition 3.3(b)(iv)(C) above);

SOFR Replacement means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Issuer (in consultation with the Calculation Agent), determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

- (a) the order of priority specified SOFR Replacement Alternatives Priority in the applicable Final Terms; or
- (b) if no such order of priority is specified, in accordance with the priority set forth below:
 - (i) Relevant Governmental Body Replacement;
 - (ii) ISDA Fallback Replacement; and
 - (iii) Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

SOFR Replacement Alternatives means:

- (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the **Relevant Governmental Body Replacement**);
- (b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the **ISDA Fallback Replacement**); or
- (c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the **Industry Replacement**);

SOFR Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable SOFR Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (b) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (c) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate securities at such time;

SOFR Replacement Conforming Changes means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

SOFR Replacement Date means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) in the case of sub-paragraphs (a) or (b) of the definition of “SOFR Transition Event” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or
- (b) in the case of sub-paragraph (c) of the definition of “SOFR Transition Event” the date of the public statement or publication of information referenced therein; or
- (c) in the case of sub-paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than

three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

SOFR Transition Event means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

Unadjusted SOFR Replacement means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

(v) *Floating Rate Notes which are CMS Linked Interest Notes*

Where the Reference Rate is specified as being the CMS Reference Rate, the Rate of Interest for each Interest Period will be calculated by the relevant Calculation Agent in accordance with the provisions set out below and the following formula:

CMS Rate + Margin

As used above:

CMS Linked Interest Notes means Floating Rate Notes where the Reference Rate is specified to be the CMS Rate.

CMS Rate shall mean the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the relevant Calculation Agent.

If the Relevant Screen Page is not available, the relevant Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If three or more of the Reference Banks provide the relevant Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) 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).

For this purpose:

Margin has the meaning specified in the Final Terms.

Reference Banks means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Issuer.

Relevant Screen Page has the meaning specified in the Final Terms.

Relevant Swap Rate means:

- (A) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of 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 with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity

determined by the relevant Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

- (B) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (C) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (D) where the Reference Currency is any other currency, the mid-market swap rate as determined by the relevant Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

Relevant Time has the meaning specified in the Final Terms.

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time.

If on any Interest Determination Date fewer than three or none of the Reference Banks provides the relevant Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the relevant Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the

provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.3:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*).

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.3 by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3.4 Benchmark Discontinuation

If the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event (as defined below) has occurred in relation to an Original Reference Rate, other than SOFR, when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer and the Independent Adviser (acting in good faith and in a commercially reasonable manner) determining, no later than three Business Days prior to the relevant Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3.4(a) below) and, in either case, an Adjustment Spread if any (in accordance with Condition 3.4(b) below) and any Benchmark Amendments (in accordance with Condition 3.4(c) below).

(a) Successor Rate or Alternative Rate

If the Issuer and the Independent Adviser (acting in good faith and in a commercially reasonable manner):

- (i) agree that there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3.4(b) below) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 3.4); or
- (ii) agree that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3.4(b) below) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 3.4).

If the Issuer (i) is unable to appoint an Independent Adviser or (ii) the Issuer and the Independent Adviser, acting in good faith and in a commercially reasonable manner, do not agree on the selection of a Successor Rate or an Alternative Rate, the fallback provisions set out in Conditions 3.2 (*Interest on Fixed Reset Notes*) and 3.3 (*Interest on Floating Rate Notes*) and the applicable Final Terms, as the case may be, shall continue to apply. For the avoidance of doubt, this Condition 3.4(a) shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.4(a).

(b) Adjustment spread

If the Issuer and the Independent Adviser agree (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).

(c) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3.4 and the Issuer and the Independent Adviser agree: (i) that amendments to these Conditions and/or the Agency Agreement 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 Issuer and the Principal Paying Agent shall, subject to giving notice thereof in accordance with Condition 3.4(d) below,

without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 3.4, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 3.4(c) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 3.4(c), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 3.4, no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Notes as Tier 2 capital or Eligible Liabilities, in each case of the Issuer or the Group, as applicable, or could reasonably result in the Regulator and/or the Relevant Resolution Authority treating any future Interest Payment Date (including any Reset Date) as the effective maturity of the Notes, rather than the relevant Maturity Date.

(d) Notice

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3.4 will be notified promptly by the Issuer to the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the Issuer, the Paying Agents and the Noteholders.

No later than the date on which the Issuer notifies the Noteholders of the same, the Issuer shall deliver to the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) any Adjustment Spread and (D) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 3.4;
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor or Alternative Rate and any Adjustment Spread.

The Agent shall display such certificate at its offices, for inspection by the Noteholders, at all reasonable times during normal business hours.

Each of the Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's or the Calculation Agent's or the Paying Agents' ability to rely on

such certificate as aforesaid) be binding on the Issuer, the Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 3.4, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3.4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(e) **Survival of Original Reference Rate Provisions**

Without prejudice to the obligations of the Issuer under Condition 3.4(a) to (d) above, the Original Reference Rate and the fallback provisions provided for in Condition 3.2 (*Interest on Fixed Reset Notes*) and 3.3 (*Interest on Floating Rate Notes*) and the applicable Final Terms, as the case may be, will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 3.4.

(f) **Definitions**

In this Condition 3.4, the following expressions shall have the following meanings:

Adjustment Spread means either a spread or quantum (which may be positive or negative), or the 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, quantum, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital market transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the Issuer determines that no such spread is customarily applied) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iv) if no such spread, quantum, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion and following consultation with the Independent Adviser, and acting in good faith and in a commercially reasonable manner, determines to be appropriate, to reduce or eliminate to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Noteholders as a result of the

replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Alternative Rate means an alternative benchmark or screen rate which the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

Benchmark Amendments has the meaning given to it in Condition 3.4(c).

Benchmark Event means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will cease publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **Specified Future Date**) (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a Specified Future Date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will, by a Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is or will, by a Specified Future Date, be no longer representative of an underlying market; or
- (vi) it has or will, by a specified date within the following six months, become unlawful for any Paying Agent, Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) 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 occur until the date falling six months prior to such Specified Future Date.

Independent Adviser means an independent financial institution of recognised standing or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense).

Original Reference Rate means:

- (i) the originally-specified benchmark or screen rate (as applicable) used to determine the Interest Rate (or any component part thereof) on the Notes; or
- (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of this Condition 3.4,

as applicable.

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

- (i) 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
- (ii) 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.

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

3.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

4. PAYMENTS

4.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 6 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6 (*Taxation*)) any law implementing an intergovernmental approach thereto.

4.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 4.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 4.4 (*General provisions applicable to payments*)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 3 years after the Relevant Date (as defined in Condition 6 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7 (*Prescription*)) or, if later, 3 years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose original nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the original nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

4.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

4.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 4, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

4.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7 (*Prescription*)) is:

- (a) 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:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; or
 - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

4.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 6 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (*Taxation*).

In these Conditions, **Final Redemption Amount** means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount to be determined by the Issuer as may be specified in the relevant Final Terms.

5. REDEMPTION AND PURCHASE

5.1 Redemption at maturity

Senior Notes and Senior Subordinated Notes will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

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

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

5.2 Redemption for tax reasons

Subject to Condition 5.7 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if this Note is not a Floating Rate Note); or
- (b) on any Interest Payment Date (if this Note is a Floating Rate Note),

on giving not less than 15 nor more than 60 calendar days' notice to the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if, as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction (as defined in Condition 6 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) the Issuer would not be entitled to claim a deduction in computing taxation liabilities in any Tax Jurisdiction (as defined in Condition 6 (*Taxation*)) in respect of any payment of interest to be made on the Notes on the occasion of the next payment date due under the Notes or the value of such deduction to the Issuer would be materially reduced; or
- (iii) the applicable tax treatment of the Notes would be materially affected,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (i) would be obliged to pay such additional amounts were a payment in respect of the Notes then due, (ii) would no longer be entitled to claim a deduction or the amount of such deduction would be materially reduced or (iii) would be obliged to apply the materially affected applicable tax treatment.

Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall (i) deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) use its best efforts to deliver to the Agent to make available at its specified office to the Noteholders an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and, in the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, a copy of the permission of the Regulator and/or the Relevant Resolution Authority, to redemption, if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

Notes redeemed pursuant to this Condition 5.2 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption for taxation reasons in the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, will be subject to the prior permission of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and may only take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time.

In these Conditions, a **Relevant Resolution Authority** means the *Fondo de Resolución Ordenada Bancaria (FROB)*, the Single Resolution Board (**SRB**) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Loss Absorbing Power (as defined in Condition 17 (*Loss Absorbing Power*)) from time to time.

5.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject in the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, to compliance with the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) then in force and subject to the prior permission of the Regulator and/or the Relevant Resolution Authority, if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), having given not less than 15 calendar days' notice to the Noteholders in accordance

with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In these Conditions, **Optional Redemption Date** means any date so specified in the applicable Final Terms and/or any date falling in the Optional Redemption Period specified in the applicable Final Terms, the first and last days inclusive. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will:

- (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot not more than 30 days prior to the date fixed for redemption and
- (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in either case, in compliance with applicable law.

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 5.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

This Condition 5.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than under any of Conditions 5.2 (*Redemption for tax reasons*), 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*), or 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*)), such option being referred to as an Issuer Call.

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

5.4 Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes

If the Notes are Tier 2 Subordinated Notes and Capital Event is specified as applicable in the applicable Final Terms, then upon the occurrence of a Capital Event as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law, Applicable Banking Regulations or of any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the first Tranche of Notes (including as a result of the implementation or applicability in Spain on or after the Issue Date of the EU Banking Reforms (as defined below)), the Tier 2 Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations then in force, and may only take place in accordance with Applicable Banking Regulations in force at the relevant time and subject to the prior permission of the Regulator, if and as required pursuant to such regulations, at any time, on giving not less than 15 nor more than 60 calendar days' notice to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

Tier 2 Subordinated Notes redeemed pursuant to this Condition 5.4 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the Conditions, **Capital Event** means the determination by the Issuer after consultation with the Regulator that all or part of the outstanding nominal amount of the Tier 2 Subordinated Notes is not or would likely not be eligible for inclusion in the Tier 2 Capital of the Issuer and/or Group (but, in the case of partial ineligibility, only if early redemption of the Tier 2 Subordinated Notes in such circumstances is permitted under then Applicable Banking Regulations) pursuant to then Applicable Banking Regulations (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer).

5.5 Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes

If the Notes are Subordinated Notes or Senior Notes and Eligible Liabilities Event is specified as applicable in the applicable Final Terms, then upon the occurrence of an Eligible Liabilities Event as a result of a change (or any pending change which the competent authority considers sufficiently certain) in Spanish law or Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) or of any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the relevant Senior Notes or Subordinated Notes, as applicable, may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) then in force, and may only take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time and subject to the permission of the Regulator and/or the Relevant Resolution Authority, if and as required pursuant to such regulations, at any time, on giving not less than 15 nor more than 60 calendar days' notice to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

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

Senior Notes and Subordinated Notes redeemed pursuant to this Condition 5.5 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the Conditions, **Eligible Liabilities Event** means:

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

- (ii) to the relevant Notes being bought back by or on behalf of the Issuer; or
 - (iii) to a subordination requirement being applied by the Relevant Resolution Authority for such Notes to be eligible to comply with MREL Requirements; or
 - (iv) there being insufficient headroom for such Notes to qualify as Eligible Liabilities within prescribed limits established by Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain);
- (b) in respect of Senior Non-Preferred Notes, the determination by the Issuer after consultation with the Regulator and/or the Relevant Resolution Authority, that all or part of the outstanding principal amount of such Notes will not at any time prior to the Maturity Date fully qualify as MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the Group, except where the non-qualification as MREL-Eligible Senior Non-Preferred Instruments is due:
- (i) solely to the remaining maturity of such Notes (or effective remaining maturity where the Notes, for example, are subject to an Investor Put) being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain) as at the Issue Date; or
 - (ii) to the relevant Notes being bought back by or on behalf of the Issuer; and
- (c) in respect of Subordinated Notes, the determination by the Issuer after consultation with the Regulator and/or the Relevant Resolution Authority, that all or part of the outstanding principal amount of such Notes will not at any time prior to the Maturity Date fully qualify to comply with MREL Requirements of the Issuer and/or the Group, except where the non-qualification is due:
- (i) solely to the remaining maturity of such Notes (or effective remaining maturity where the Notes, for example, are subject to an Investor Put) being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) (or any other regulations applicable in Spain) as at the Issue Date; or
 - (ii) to the relevant Notes being bought back by or on behalf of the Issuer.

An Eligible Liabilities Event shall, without limitation, be deemed to have occurred where such ineligibility for inclusion of Ordinary Senior Notes eligible to comply with MREL Requirements and Senior Non-Preferred Notes in the Eligible Liabilities or for Subordinated Notes to comply with the MREL Requirements arises as a result of (a) any Spanish legislation implementing or giving effect to the EU Banking Reforms differing in any respect from the form of the EU Banking Reforms as adopted (including if the EU Banking Reforms are not implemented in full in Spain) or (b) the official interpretation or application of the EU Banking Reforms or the EU Banking Reforms as implemented in Spain (including any interpretation or pronouncement by any relevant court, tribunal or authority) differing in any respect from the manner in which the EU Banking Reforms have been reflected in the Terms and Conditions of the Notes and including, in particular, a determination or interpretation of the existence of an embedded derivative against the literal terms of the last paragraph of Article 72a.2 of CRR.

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 4, the BRRD and those laws, regulations, requirements, guidelines and policies giving effect to

the MREL, in each case to the extent then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group) (in all cases, as amended from time to time).

BRRD 2 means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

CRD 5 Directive means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

CRR 2 means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.

EU Banking Reforms means the CRD 5 Directive, BRRD 2, CRR 2 and the SRM Regulation 2.

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 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, or any successor requirement under EU legislation and relevant implementing legislation and regulation in Spain.

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

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

MREL Requirements means the minimum requirement for own funds and Eligible Liabilities applicable to the Issuer and/or the Group under Applicable MREL Regulations.

SRM Regulation 2 means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.

5.6 Redemption at the option of the Noteholders (Investor Put)

This Condition 5.6 applies to Senior Notes and Senior Subordinated Notes, if specified as being applicable in the applicable Final Terms, and if allowed under the Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 5.6 for full information on any Investor Put. In

particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than 30 nor more than 60 calendar days (or such other period(s) as may be specified in the applicable Final Terms), the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. No such redemption option will be applicable to any Tier 2 Subordinated Notes, unless as permitted under Applicable Banking Regulations.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 5.6 accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 5.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.6 and instead to declare such Note forthwith due and payable pursuant to Condition 8 (*Events of Default*).

5.7 Early Redemption Amounts

For the purpose of Conditions 5.2 (*Redemption for tax reasons*), 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*) and 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*) above and Condition 8 (*Events of Default*) each Note will be redeemed at its Early Redemption Amount as specified in the relevant Final Terms.

5.8 Purchases

The Issuer or any Subsidiary of the Issuer may purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

In the case of Subordinated Notes, Senior Non-Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, the purchase of the relevant Notes by the Issuer or any of its Subsidiaries shall take place in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time and will be subject to the prior permission of the Regulator and/or the Relevant Resolution Authority, if and as required

therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

5.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5.8 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6. TAXATION

6.1 Taxation in respect of Ordinary Senior Notes

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

- (a) presented for payment in Spain; or
- (b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Ordinary Senior Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Ordinary Senior Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4.5 (*Payment Day*)); or
- (d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporation Income Tax if the Spanish Tax Authorities determine that the Ordinary Senior Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning the identity and tax residence of the holder of the Ordinary Senior Notes as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

6.2 Taxation in respect of the Senior Non-Preferred and Subordinated Notes

All payments in respect of the Senior Non-Preferred and Subordinated Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction

unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of interest (but not in respect of payments of principal or any premium) as shall be necessary in order that the net amounts received by the Senior Non-Preferred and Subordinated Noteholders or Couponholders after such withholding or deduction shall equal the amount of interest which would otherwise have been receivable in respect of the Senior Non-Preferred and Subordinated Notes or their respective Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Senior Non-Preferred and Subordinated Notes or their respective Coupons:

- (a) presented for payment in Spain; or
- (b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Senior Non-Preferred and Subordinated Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Senior Non-Preferred and Subordinated Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4.5 (*Payment Day*)); or
- (d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporation Income Tax if the Spanish Tax Authorities determine that the Senior Non-Preferred and Subordinated Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such Senior Non-Preferred and Subordinated Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

As used herein:

Tax Jurisdiction means Spain or any political subdivision or any authority thereof or therein having power to tax; and

Relevant Date means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

See "Taxation – Spain – Simplified information procedures" for a fuller description of certain tax considerations relating to the Notes, the formalities which must be followed in order to claim exemption from withholding tax and for a description of certain disclosure requirements imposed on the Issuer.

7. PRESCRIPTION

To the extent that Article 950 of the Spanish Commercial Code (*Código de Comercio*) applies to the Notes, claims for payment in respect of Notes and Coupons will become void unless made within a period of three years after the Relevant Date (as defined in Condition 6 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 7 or Condition 4.2 (*Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 4.2 (*Presentation of definitive Notes and Coupons*).

8. EVENTS OF DEFAULT

8.1 Events of Default relating to the Notes

If:

- (a) any order is made by any competent court or resolution passed for the winding-up or liquidation of the Issuer; or
- (b) so specified in the Final Terms, any Additional Event of Default (as defined in Condition 8.2 (*Additional Events of Default relating to Ordinary Senior Notes*)) occurs and is continuing,

(each an **Event of Default**), then any Noteholder of the relevant Series in respect of such Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the relevant Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their Early Redemption Amount together with all accrued interest thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

Except as contemplated under Condition 8.1(a) above and unless it is specified in the Final Terms that Additional Events of Default apply, each Noteholder and Couponholder (which for these purposes includes each holder of a beneficial interest in the Notes or the Coupons) will under no circumstances be entitled to declare any Notes due and payable, it being therefore understood that the non performance by the Issuer of its obligations under the Notes will not constitute an Event of Default.

8.2 Additional Events of Default relating to Ordinary Senior Notes

- (a) This Condition 8.2(a) only applies to Ordinary Senior Notes, in addition to Condition 8.1 (*Events of Default relating to the Notes*), if so specified in the applicable Final Terms as being applicable to the Ordinary Senior Notes and references to “Notes” shall be construed accordingly.

If this Condition 8.2(a) applies, each of the following events shall be an **Additional Event of Default**:

- (i) **Non-payment**: the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or
- (ii) **Breach of other obligations**: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or, as the case may be, the Agency Agreement, and such default remains unremedied for 30 days or after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or
- (iii) **Cross-default of Issuer or Relevant Subsidiary**:
 - (A) any Indebtedness for Borrowed Money of the Issuer or any of its Relevant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or

- (B) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the Relevant Subsidiaries or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness for Borrowed Money,

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

- (iv) **Unsatisfied judgment:** one or more final judgment(s) or order(s) for the payment of any amount which individually or in the aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Relevant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (v) **Security enforced:** any Security Interest created or assumed by the Issuer or any of its Relevant Subsidiaries becomes enforceable and any steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) provided that the Indebtedness for Borrowed Money to which such Security Interest relates either individually or in the aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies); or
- (vi) **Cessation of business:** the Issuer (or any of its Relevant Subsidiaries) ceases or threatens to cease to carry on the whole or a substantial part of its business (except in any such case for the purpose of a Permitted Reorganisation) or the Issuer (or any of its Relevant Subsidiaries) stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class thereof) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vii) **Insolvency proceedings:** (i)(A) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against it, and in respect of any of the Issuer's Relevant Subsidiaries, proceedings are initiated against any such Relevant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (except in any such case for the purpose of a Permitted Reorganisation); or (B) an application made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer (or any of its Relevant Subsidiaries) or in relation to the whole or any substantial part of the undertaking or assets of any of them; or (C) an encumbrance takes possession of the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); or (D) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); and (ii) in any case is or are not discharged within 30 days; or
- (viii) **Arrangements with creditors:** the Issuer (or any of its Relevant Subsidiaries) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or
- (ix) **Failure to take action etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that

those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of Spain or England is not taken, fulfilled or done; or

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

- (b) For the purpose of this Condition 8:

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

Permitted Reorganisation means:

- (a) with respect to the Issuer, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) where the entity resulting from any such reconstruction, merger or amalgamation is (A) a financial institution (*entidad de crédito*) under Article 1 of Law 10/2014 (or any other law or regulation which may replace it in the future), as amended and restated and (B) has a rating for long-term senior debt assigned by S&P Global Ratings Europe Limited, Moody's Investors Service España, S.A., Fitch Ratings Ireland Limited or DBRS Ratings GmbH equivalent to or higher than the rating for long-term senior debt of the Issuer immediately prior to such reconstruction, merger or amalgamation; and
- (b) with respect to a Relevant Subsidiary, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) is on a solvent basis.

When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: **materially weaker** shall mean that two of the four Rating Agencies modify at least by three lower notches the rating previously applied to the Issuer; and **Rating Agencies** shall mean S&P Global Ratings Europe Limited, Moody's Investors Service España, S.A., Fitch Ratings Ireland Limited and DBRS Ratings GmbH.

Relevant Subsidiary means, at any particular time, any Subsidiary of the Issuer:

- (a) whose net assets represent not less than 10 per cent. of the net consolidated assets of the Group as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the most recently published audited consolidated accounts of the Issuer; or
- (b) whose gross revenues represent not less than 10 per cent. of the gross consolidated revenues of the Group, all as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer.

For the purposes of this definition:

- (i) *if there shall not at any time be any relevant audited consolidated accounts of the Issuer, references thereto herein shall be deemed to be references to a consolidation (which need not be audited) by the Issuer of the relevant audited accounts of the Issuer and its Subsidiaries;*

- (ii) *if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated gross revenues shall be determined on the basis of pro forma consolidated accounts (which need not be audited) of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Issuer;*
- (iii) *if (A) any Subsidiary shall not in respect of any relevant financial period for whatever reason produce audited accounts or (B) any Subsidiary shall not have produced at the relevant time for the calculations required pursuant to this definition audited accounts for the same period as the period to which the latest audited consolidated accounts of the Issuer relate, then there shall be substituted for the purposes of this definition the management accounts of such Subsidiary for such period;*
- (iv) *where any Subsidiary is not wholly owned by the Issuer there shall be excluded from all calculations all amounts attributable to minority interests;*
- (v) *in calculating any amount all amounts owing by or to the Issuer and any Subsidiary to or by the Issuer and any Subsidiary shall be excluded; and*
- (vi) *in the event that accounts of any companies being compared are prepared on the basis of different generally accepted accounting principles, there shall be made such adjustments to any relevant financial items as are necessary to achieve a true and fair comparison of such financial items.*

8.3 Green, Social or Sustainability Notes

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

9. WAIVER OF SET-OFF

No Noteholder may at any time exercise or claim any or all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note (the **Waived Set-Off Rights**) against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each Noteholder 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 Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition 9 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 Noteholder of any Note but for this Condition 9.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require and in accordance with applicable law. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

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

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 7 (*Prescription*).

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) if the rules of the exchange on which the Notes are listed so require, in a leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*), or (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of Euronext Dublin, on the Euronext Dublin's website, www.euronext.com/en/markets/dublin. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

14.1 Meetings of Noteholders

(a) Convening of Meetings, Quorum, Adjourned Meetings

- (i) The Issuer may at any time and, if required in writing by Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant Noteholders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Agent and the Dealers of the day, time and place of the meeting which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform, and of the nature of the business to be transacted at the meeting. Every meeting shall be held at a time and place approved by the Agent.
- (ii) At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Noteholders in the manner provided in Condition 13 (*Notices*). The notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting and, in the case of an Extraordinary Resolution only, shall either (i) specify the terms of the Extraordinary Resolution to be proposed or (ii) inform Noteholders that the terms of the Extraordinary Resolution are available free of charge from the Agent, provided that, in

the case of (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 include statements as to (i) the manner in which Noteholders may arrange for voting certificates or block voting instructions to be issued and, if applicable, appoint proxies or representatives or (ii) inform Noteholders that details of the voting arrangements are available free of charge from the Agent, provided that, in the case of (ii) the final form of such details are so 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 Issuer (unless the meeting is convened by the Issuer).

- (iii) The person (who may but need not be a Noteholder) nominated in writing by the Issuer 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 Noteholders present shall choose one of their number to be Chairperson failing which the Issuer may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.
- (iv) At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 5 per cent. in nominal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairperson) shall be transacted at any meeting unless the required quorum is present at the commencement of business. 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 per cent. in nominal amount of the Notes for the time being outstanding provided that at any meeting the business of which includes any of the following matters (**Basic Terms Modification**, each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):
 - (A) modification of the Maturity Date (if any) of the Notes or reduction or cancellation of the nominal amount payable at maturity; or
 - (B) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the rate of interest in respect of the Notes; or
 - (C) reduction of any Minimum Rate of Interest and/or Maximum Rate of Interest specified in the applicable Final Terms; or
 - (D) modification of the currency in which payments under the Notes are to be made; or
 - (E) modification of the majority required to pass an Extraordinary Resolution; or
 - (F) the sanctioning of any scheme or proposal described in Condition 14.1(b)(ix)(F) below; or
 - (G) alteration of this proviso or the proviso to Condition 14.1(a)(v) below,

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

- (v) 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 Noteholders be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday 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 Agent). 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 Agent, and the provisions of this sentence shall apply to all further adjourned meetings.
- (vi) At any adjourned meeting one or more Eligible Persons present (whatever the nominal amount of the Notes 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 14.1(a)(iv) above the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in nominal amount of the Notes for the time being outstanding.
- (vii) 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 substituted for 10 in Condition 14.1(a)(ii) above and the notice shall state the relevant quorum. Subject to this it shall not be necessary to give any notice of an adjourned meeting.

(b) Conduct of Business at Meetings

- (i) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as an Eligible Person.
- (ii) At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairperson or the Issuer or by any Eligible Person present (whatever the nominal amount of the Notes held by him), a declaration by the Chairperson that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (iii) Subject to Condition 14.1(b)(v) below, 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 at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

- (iv) The Chairperson may, with the consent of (and shall if directed by) any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- (v) Any poll demanded at any meeting on the election of a Chairperson or on any question of adjournment shall be taken at the meeting without adjournment.
- (vi) Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, but without prejudice to the proviso to the definition of outstanding in Condition 14.1(c) below, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of the Issuer or any Subsidiary of the Issuer. Nothing contained in this paragraph shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.
- (vii) Subject as provided in Condition 14.1(b)(vi) above, at any meeting:
 - (A) on a show of hands every Eligible Person present shall have one vote; and
 - (B) on a poll every Eligible Person present shall have one vote in respect of:
 - I. each EUR 1.00; and
 - II. in the case of a meeting of the holders of Notes denominated in a currency other than Euros, the equivalent of EUR 1.00 in that currency (calculated as specified in Condition 14.1(b)(xiii) below),

or such other amount as the Agent shall in its absolute discretion specify in nominal amount of Notes in respect of which he is an Eligible Person.

Without prejudice to the obligations of the proxies named in any block voting instruction, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

- (viii) The proxies named in any block voting instruction need not be Noteholders.
- (ix) A meeting of the Noteholders shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in Conditions 14.1(a)(iv) and 14.1(a)(vi) above), namely:
 - (A) power to approve any compromise or arrangement proposed to be made between the Issuer and the Noteholders and Couponholders or any of them;
 - (B) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders and Couponholders against the Issuer or against any of its property whether these rights arise under the Agency Agreement, the Notes or the Coupons or otherwise;
 - (C) power to agree to any modification of the provisions contained in the Agency Agreement or the Conditions, the Notes or the Coupons which is proposed by the

Issuer (other than any change arising from the discontinuation of any interest rate benchmark used to determine the amount of any payment in respect of the Notes);

- (D) power to give any authority or approval which under the provisions of this Schedule or the Notes is required to be given by Extraordinary Resolution;
 - (E) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon any committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
 - (F) power to approve any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash; and
 - (G) power to approve the substitution of any entity in place of the Issuer (or any previous substitute) as the principal debtor in respect of the Notes and the Coupons.
- (x) Any resolution (i) passed at a meeting of the Noteholders duly convened and held (ii) passed as a resolution in writing or (iii) passed by way of electronic consents given by Noteholders through the relevant clearing system(s), shall be binding upon all the Noteholders whether present or not present at the meeting referred to in Condition 14.1(b)(i) above and whether or not voting and upon all Couponholders and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 13 (*Notices*) by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.
- (xi) The expression **Extraordinary Resolution** when used herein means (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Schedule by a majority consisting of not less than 75 per cent. 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 per cent. of the votes given on the poll or (b) a resolution in writing signed by or on behalf of all the Noteholders/the holders of not less than 75 per cent. in nominal amount of the Notes 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 Noteholders or (c) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of all the Noteholders/the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding.
- (xii) Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the Chairperson of the meeting at which any resolution was passed or proceedings had 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 at the meeting to have been duly passed or had.

- (xiii) If the Issuer has issued and has outstanding Notes which are not denominated in euros, the nominal amount of such Notes shall:
- (A) for the purposes of Condition 14.1(a) above, be the equivalent in euros at the spot rate of a bank nominated by the Agent for the conversion of the relevant currency or currencies into euros on the seventh dealing day before the day on which the written requirement to call the meeting is received by the Issuer; and
 - (B) for the purposes of Conditions 14.1(a)(iv), 14.1(a)(vi) and 14.1(a)(vii) above (whether in respect of the meeting or any adjourned meeting or any poll), be the equivalent at that spot rate on the seventh dealing day before the day of the meeting,

and, in all cases, the equivalent in euros of any Notes issued at a discount or a premium shall be calculated by reference to the original nominal amount of those Notes.

In the circumstances set out above, on any poll each person present shall have one vote for each EUR 1.00 in nominal amount of the Notes (converted as above) which he holds or represents.

(c) **Definitions**

For the purposes of this Condition 14,

- (i) **Eligible Person** means those persons entitled to attend and vote at a meeting of the Noteholders as stated in the relevant notice of meeting or pursuant to the relevant voting arrangements details of which are available from the Agent, in each case in accordance with Condition 14.1(a)(ii) above (being the relevant Noteholders or duly appointed proxies or representatives of such Noteholders);
- (ii) those Notes (if any) which are for the time being held by or for the benefit of the Issuer or any subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain **outstanding**; and
- (iii) a **relevant clearing system** means, in respect of any Notes represented by a Global Note, any clearing system on behalf of which the Global Note is held or which is the bearer or (directly or through a nominee) registered owner of the Global Note, in each case whether alone or jointly with any other clearing system(s).

14.2 Modification

The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

By its acquisition of the Notes, each Noteholder and Couponholder (which for these purposes includes each holder of a beneficial interest in the Notes or the Coupons) will be deemed to have expressly consented to any modification of the Notes, the Conditions or the Agency Agreement pursuant to this Condition 14.2.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. SUBSTITUTION OF THE ISSUER

- (a) The Issuer (or any previous substitute under this Condition 16) may, with respect to any Series of Notes issued by it (the **Relevant Notes**), without the further consent of the Noteholders but, subject to such substitution being in compliance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) and subject to the prior permission of the Regulator and/or the Relevant Resolution Authority, if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations), be replaced and substituted by any of its wholly owned Subsidiaries as the principal debtor in respect of the Notes, Coupons and Talons (the **Substituted Debtor**), provided that:
- (i) the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;
 - (ii) the Issuer (or any previous substitute under this Condition 16) and the Substituted Debtor have granted or entered into such documents (the **Documents**) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions and the provisions of the Agency Agreement as the debtor in respect of such Notes in place of the Issuer (or of any previous substitute under this Condition 16) and pursuant to which the Issuer shall unconditionally and irrevocably guarantee (the **New Guarantee**) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor with the Issuer's obligations under the New Guarantee ranking *pari passu* with the Issuer's obligations under the Notes prior to the substitution becoming effective;
 - (iii) if the Substituted Debtor is resident for tax purposes in a territory (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**) the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 6 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence. The Documents also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution pursuant to this Condition 16 and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
 - (iv) the Documents contain a warranty and representation by the Substituted Debtor and the Issuer that the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the giving by the Issuer of the New Guarantee in respect of the obligations of the Substituted Debtor and for the performance by each of the

Substituted Debtor and the Issuer of their respective obligations under the Documents and that all such approvals and consents are in full force and effect;

- (v) each stock exchange on which the Relevant Notes are listed has confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be listed on such stock exchange (of the Issuer or the Substituted Debtor is otherwise satisfied of the same);
 - (vi) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of incorporation of the Substituted Debtor and the country which laws governs this Programme, confirming, as appropriate, that upon the substitution taking place the Notes, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor enforceable in accordance with their terms;
 - (vii) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country which law governs the Documents that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms;
 - (viii) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country which law governs the Documents that upon the substitution taking place the Documents constitute legal, valid and binding obligations of the parties thereto;
 - (ix) any rating agency which has issued a rating in connection with the Relevant Notes shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Relevant Notes will remain the same or be improved;
 - (x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Documents; and
 - (xi) the substitution complies with all applicable requirements established under the applicable laws.
- (b) Upon the execution of the Documents and the delivery of the legal opinions, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer (or any previous substitute under this Condition 16) under the Relevant Notes and any related Coupons or Talons and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the principal debtor in place of the Issuer herein, and the Issuer or any previous substitute under these provisions shall, upon the execution of the Documents be released from its obligations under the Relevant Notes and any related Coupons or Talons and under the Agency Agreement.
- (c) After a substitution pursuant to Condition 16(a) above, the Substituted Debtor may, without the further consent of any Noteholder, effect a further substitution. All the provisions specified in Conditions 16(a) and 16(b) above shall apply, *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (d) After a substitution pursuant to Condition 16(a) or 16(c) above any Substituted Debtor may, without the further consent of any Noteholder, reverse the substitution, *mutatis mutandis*.

- (e) The Documents shall be delivered to, and kept by, the Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated or settled or discharged. Copies of the Documents will be available free of charge at the specified office of each of the Agents.
- (f) Not later than 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 13 (*Notices*).
- (g) By its acquisition of the Notes, each Noteholder (which for these purposes includes each holder of a beneficial interest in the Notes) will be deemed to have expressly consented to any substitution of the Issuer pursuant to this Condition 16.

17. LOSS ABSORBING POWER

17.1 Exercise of Loss Absorbing Power and Acknowledgment

The obligations of the Issuer under the Notes are subject to, and may be limited, by the exercise of any Loss Absorbing Power by the Relevant Resolution Authority.

17.2 Payment of Interest and Other Outstanding Amounts Due

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Loss Absorbing Power by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

17.3 Notice to Noteholders

Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the Noteholders as soon as practicable regarding such exercise of the Loss Absorbing Power. The Issuer will also deliver a copy of such notice to the Agent for information purposes. No failure or delay by the Issuer to deliver a notice to the Noteholders shall affect the validity or enforceability of the exercise of the Loss Absorbing Power.

17.4 Duties of the Agents

Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority, (a) the Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon any of the Agents whatsoever, in each case with respect to the exercise of any Loss Absorbing Power by the Relevant Resolution Authority.

17.5 Proration

If the Relevant Resolution Authority exercises the Loss Absorbing Power with respect to less than the total Amounts Due, unless any of the Paying Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Loss Absorbing Power will be made on a pro-rata basis.

17.6 No Event of Default

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

17.7 Definitions

In this Condition 17:

Amounts Due means the principal amount of or outstanding amount, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes under Condition 6 (*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.

Loss Absorbing Power means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) 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 superseded from time to time, including by the SRM Regulation 2, 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 Notes, 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 Issuer or another person (and the issue to the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
- (c) the cancellation of the Notes or Amounts Due;
- (d) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (e) the amendment of the terms of the Notes.

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

18. SUBSTITUTION AND VARIATION

- 18.1 This Condition 18.1 applies to Ordinary Senior Notes eligible to comply with MREL Requirements, Subordinated Notes and Senior Non-Preferred Notes.

If an Alignment Event or circumstance giving rise to the right of the Issuer to redeem the Ordinary Senior Notes eligible to comply with MREL Requirements, Subordinated Notes or Senior Non-

Preferred Notes under Condition 5.2 (*Redemption for tax reasons*), Condition 5.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*) or Condition 5.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Subordinated Notes or Senior Notes*) occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they are substituted for, or varied to become or remain, Qualifying Notes, subject to giving not less than 15 nor more than 60 calendar days' notice to the Noteholders in accordance with Condition 13 (*Notices*) and the Agent (which notice shall be irrevocable and specify the date for substitution or, as applicable, variation), and subject to obtaining the prior permission of the Regulator and/or Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations)) and in accordance with Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations) in force at the relevant time.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the relevant Notes. Such substitution or variation shall be effected without any cost or charge to the Noteholders.

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

18.2 In the Conditions:

An **Alignment Event** is deemed to have occurred if there is a change in, or amendment to, the Applicable MREL Regulations, or any change in the application or interpretation thereof, that results in the requirements for Ordinary Senior Notes to qualify as MREL-Eligible Senior Preferred Instruments, for Senior Non-Preferred Notes to qualify as MREL-Eligible Senior Non-Preferred Instruments and for Subordinated Notes to comply with MREL Requirements being different in any respect from the Conditions, provided that if an event or circumstance which would otherwise constitute an Alignment Event also constitutes an Eligible Liabilities Event, it will be treated as an Eligible Liabilities Event and will not constitute an Alignment Event.

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

Qualifying Notes means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer that have terms not otherwise materially less favourable to the Noteholders than the terms of the Ordinary Senior Notes eligible to comply with MREL Requirements, the Subordinated Notes and the Senior Non-Preferred Notes (as applicable) provided that the Issuer shall have delivered a certificate signed by two authorised signatories to that effect to the Noteholders in accordance with Condition 13 (*Notices*) and the Agent not less than five Business Days prior to (x) in the case of a substitution of the Notes, the issue date of the relevant securities or (y) in the case of a variation of the Notes, the date such variation becomes effective, provided that such securities shall:

- (a) (i) in the case of Ordinary Senior Notes eligible to comply with MREL Requirements, contain terms that comply with the then current requirements for MREL-Eligible Senior Preferred Instruments of the Issuer and/or the Group; (ii) in the case of Senior Non-Preferred Notes, contain terms that comply with the then current requirements for MREL-Eligible Senior Non-Preferred Instruments of the Issuer and/or the Group; (iii) in the case of Senior Subordinated Notes contain terms which comply with the then current MREL Requirements, in each case

as embodied in the Applicable MREL Regulations; and (iv) in the case of Tier 2 Subordinated Notes, contain terms which comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer and/or the Group, as embodied in the Applicable Banking Regulations; and

- (b) carry the same rate of interest as the Notes prior to the relevant substitution or variation; and
- (c) have the same denomination and aggregate outstanding principal amount as the Notes prior to the relevant substitution or variation; and
- (d) have the same date of maturity and the same dates for payment of interest as the Notes prior to the relevant substitution or variation; and
- (e) have a ranking which is the same as or higher than the ranking of the Notes set out in the applicable Final Terms; and
- (f) not, immediately following such substitution or variation, be subject to (i) in the case of Senior Notes and Subordinated Notes, an Eligible Liabilities Event or an early redemption right for taxation reasons according to Condition 5.2 (*Redemption for tax reasons*); and (ii) in the case of Tier 2 Subordinated Notes, a Capital Event or an early redemption right for taxation reasons according to Condition 5.2 (*Redemption for tax reasons*); and
- (g) be listed or admitted to trading on any stock exchange as selected by the Issuer, if Notes were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation.

For the avoidance of doubt, any variation in the ranking of the relevant Notes as set out in Condition 2 (*Status of the Senior Notes and Subordinated Notes*) resulting from any such substitution or modification (including, *inter alia*, through the removal of an Issuer Call) shall be deemed not to be materially less favourable to the interests of the Holders of the Notes where the ranking of such Notes following such substitution or modification is at least the same ranking as is applicable to such Notes as set out in the applicable Final Terms on the issue date of such Notes.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Notes and the Coupons and any non-contractual obligations arising out of or the Notes and the Coupons are governed by, and construed in accordance with, Spanish common law (*Derecho civil común*). The Notes are issued in accordance with the formalities prescribed by Spanish companies law. The Agency Agreement and any non-contractual obligations arising out of or in connection with the Agency Agreement are governed by, and construed in accordance with, English law.

19.2 Submission to jurisdiction

- (a) Subject to Condition 19.2(c) below, the courts of Spain, in particular, the courts of the city of Valencia, have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of such courts.

- (b) For the purposes of this Condition 19.2, the Issuer waives any objection to the courts of the city of Valencia, Spain, on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

USE OF PROCEEDS

An amount equivalent to the net proceeds from each issue of Notes (including Senior Notes and Subordinated Notes) will be applied by the Issuer:

- (i) to finance the general financing requirements of the CaixaBank Group of which it forms a part; or
- (ii) to finance or refinance, in whole or in part, new or existing Eligible Green Projects meeting the Eligibility Criteria, in which case the relevant Notes will be identified as "Green Notes" in the applicable Final Terms; or
- (iii) to finance or refinance, in whole or in part, new or existing Eligible Social Projects meeting the Eligibility Criteria, in which case the relevant Notes will be identified as "Social Notes" in the applicable Final Terms; or
- (iv) to finance or refinance, in whole or in part, a combination of new or existing Eligible Green Projects and Eligible Social Projects, in each case meeting the Eligibility Criteria, in which case the relevant Notes will be identified as "Sustainable Notes" in the applicable Final Terms.

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

Eligible Criteria means the criteria prepared by CaixaBank as set out in the Sustainable Development Goals Framework.

Eligible Green Projects means projects falling under the categories set out in the Sustainable Development Goals Framework which are indicated to be ICMA GBP Categories, and, at any time, include any other "green" projects in accordance with any update of the ICMA Green Bond Principles at such time.

Eligible Social Projects means projects falling under the categories set out in the Sustainable Development Goals Framework which are indicated to be ICMA SBP Categories, and, at any time, include any other "social" projects in accordance with any update of the ICMA Social Bond Principles at such time.

Sustainable Development Goals Framework means the latest Sustainable Development Goals Framework published by CaixaBank, available for viewing on its website (<https://www.caixabank.com>) (including as amended, supplemented, restated or otherwise updated on such website from time to time).

ICMA Green Bond Principles means the Green Bond Principles published by the International Capital Markets Association, as updated from time to time.

ICMA Social Bond Principles means the Social Bond Principles published by the International Capital Markets Association, as updated from time to time.

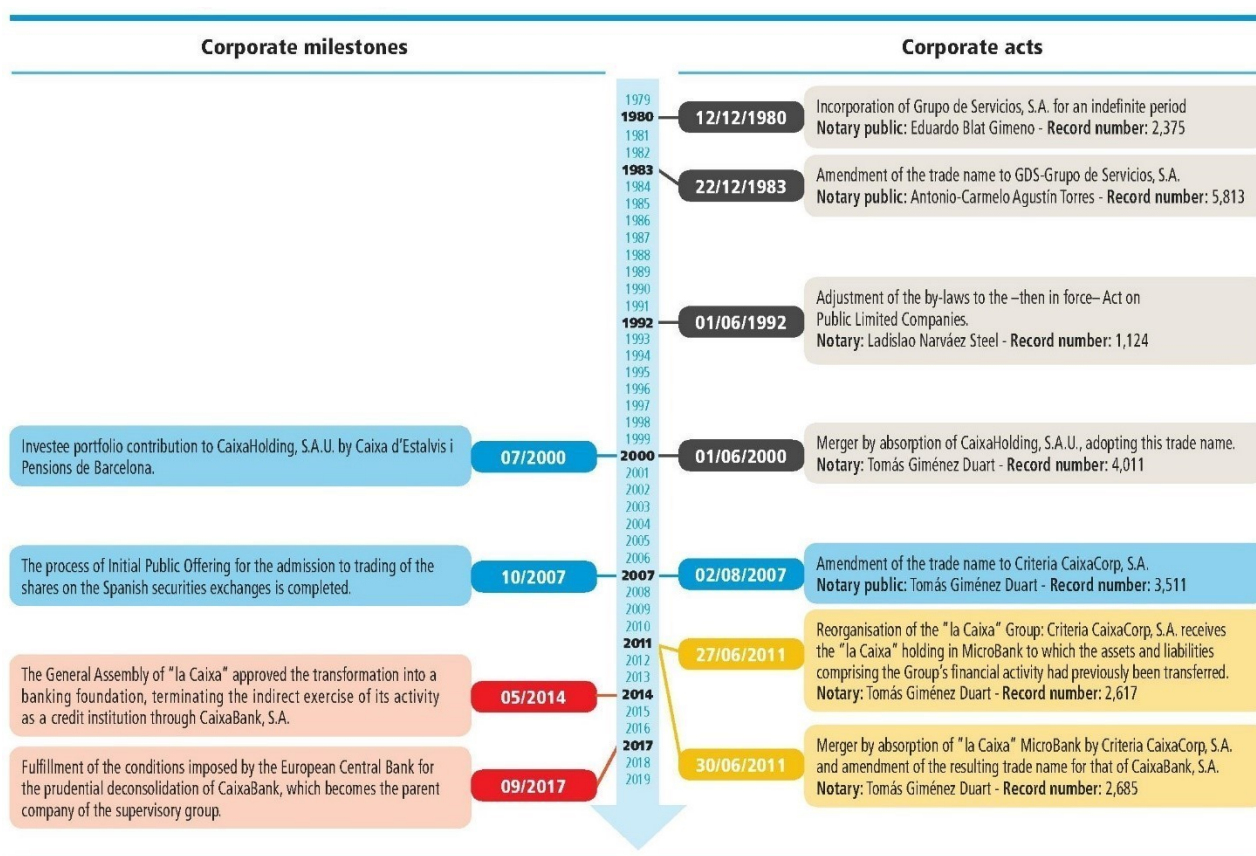
DESCRIPTION OF THE ISSUER

History and development of the Issuer

CaixaBank, S.A. (hereinafter, **CaixaBank** - its trade name -, the **Issuer** or the **Bank**), is a Spanish public limited company registered in the Commercial Register of Valencia, Volume 10370, Folio 1, Sheet V-178351, and in the Special Administrative Register of the Bank of Spain, under number 2100. The Legal Entity Identifier (LEI) of CaixaBank is 7CUNS533WID6K7DGF187, and its tax ID (NIF) is A08663619. The registered office and tax address of CaixaBank is Calle Pintor Sorolla, 2-4 in Valencia (contact telephone number +34 93 411 75 03). The website of the Bank is www.caixabank.com, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

As of 1 July 2011, CaixaBank's shares are listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges (the **Spanish Stock Exchanges**) and are quoted on the Automated Quotation System of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil* or *Mercado Continuo*).

The Issuer's most relevant company milestones during its period of activity until 2019 are:



In addition, on 18 September 2020, CaixaBank announced that its Board of Directors had approved a joint merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company). The merger was approved by the shareholders' meetings of CaixaBank and Bankia held on 3 December 2020 and 1 December 2020, respectively, and after obtaining the required authorisations, the merger was registered with the Commercial Registry of Valencia on 26 March 2021 and thus became effective as of that date.

CaixaBank and its subsidiaries comprise the CaixaBank Group (the **CaixaBank Group** or the **Group**).

CaixaBank is the parent company of the financial conglomerate formed by the Group's entities that are considered to be regulated, recognising CaixaBank as a significant supervised entity, whereby CaixaBank comprises, together with the credit institutions of its Group, a significant supervised group of which CaixaBank is the entity at the highest level of prudential consolidation.

As a listed bank, it is subject to oversight by the European Central Bank (ECB) and the Spanish national securities market regulator (the *Comisión Nacional del Mercado de Valores*, CNMV), however, the entities of the Group are subject to oversight by supplementary and industry-based bodies.

Since CaixaBank is a Spanish commercial enterprise structured as a public limited company, it is therefore subject to the Spanish Companies Act, enacted by Royal Legislative Decree 1/2010 of 2 July (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the **Spanish Companies Act**) and its implementing provisions. Furthermore, given that it is a listed company, it is also governed by the Securities Markets Act, approved by Royal Legislative Decree 4/2015, of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the **Securities Market Act**), and its implementing provisions.

2019-2021 Strategic Plan

The CaixaBank Group unveiled its 2019-2021 Strategic Plan on 27 November 2018. The 2019-2021 Strategic Plan takes into account that the economy is moving towards a more mature phase of the business cycle, with Spain and Portugal expected to achieve annual real GDP growth rates of approximately 2% in 2019E-2021E (*Source: CaixaBank Research*).

Financial projection in the 2019-2021 Strategic Plan is based on the expectation of a very gradual increase in the interest rates, as reflected in the interest rate forward rates used for those projections.

To enhance the customer experience, the 2019-2021 Strategic Plan aims to continue transforming the distribution network so as to provide added value to customers, strengthen the model of remote and digital customer relationship and continue adding new products and services.

The 2019-2021 Strategic Plan aims to generate sustainable value for all stakeholders (customers, shareholders, employees and society in general), in accordance with the Group's mission to contribute to the financial wellbeing of CaixaBank's customers and to the progress of society.

The 2019-2021 Strategic Plan has the following five strategic lines:

- To offer the best customer experience.
- To accelerate digital transformation to boost efficiency and flexibility.
- To foster a people-centric, agile and collaborative culture.
- To generate attractive shareholder returns and solid financials.
- To become a benchmark in responsible banking and social commitment.

In light of the spread of COVID-19, on 26 March 2020, the Issuer announced the decision taken by its Board of Directors to reduce the CET1 target established in the 2019-2021 Strategic Plan for December 2021 to 11.5%, suspending the former target of 12% plus an additional 1% buffer to absorb regulatory requirements including Basel IV, taking into account new regulatory and supervisory considerations including, among others, the impact of regulations established in CRD 5 (as defined in "*Capital Requirements*" below) regarding the composition of Pillar 2 Requirements (**P2R**). See "*Key events in 2019, 2020 and 2021 — COVID-19*".

Dividends

On 15 April 2020, EUR 0.07 were paid per share (EUR 418 million paid in cash), resulting in a payout of 24.6%. This was the total shareholder remuneration charged to 2019 financial year profits.

The Board of Directors has submitted the distribution of a EUR 0.0268 gross cash dividend per share against 2020 financial year profits for approval by the Annual General Meeting to be held on 13 May 2021, at first call, or on 14 May 2021, at second call. This amount is equivalent to 15% of the adjusted pro forma consolidated profit of CaixaBank and Bankia and aligned with the ECB's recommendation on limiting dividend payments.

Key events in 2019, 2020 and 2021

Unsecured Issuances

During 2019, 2020 and 2021 the Bank has issued EUR 10,132 million of securities in 12 separate unsecured transactions, all of which were placed among institutional investors. A breakdown of these issuances is set out in the table below:

Issue	Total amount EUR million	Amount per issue per issue EUR million equivalent ¹	Date of Issuance	Maturity ²	Cost ³
Cédulas hipotecarias ⁴	500	500	Several ⁴	15 years	1.4% (mid-swap + 0.442%)
Ordinary Senior debt	3,000	1,000	27 March 2019	7 years	1.195% (mid-swap + 0.90%)
		1,000	17 January 2020	5 years	0.434% (mid-swap + 0.58%)
		1,000	10 July 2020	6 years ⁵	0.835% (mid-swap + 1.17%)
Senior non-preferred debt	5,382	1,000	18 January 2019	5 years	2.47 % (mid-swap + 2.25 %)
		50	30 May 2019	10 years	2.00 % (mid-swap + 1.56 %)
		1,250	19 June 2019	7 years	1.464 % (mid-swap + 1.45 %)
		82	3 July 2019	15 years	1.231%
		1,000	26 September 2019	5 years	0.765 % (mid-swap + 1.13%)
		1,000	18 November 2020	6 years ⁶	0.429 % (mid-swap + 0.85%)
		1,000	9 February 2021	8 years ⁷	0.571 % (mid-swap + 0.90%)
Tier 2 subordinated debt	1,000	1,000	18 March 2021	10.25 years ⁸	1.335 % (mid-swap + 1.63%)
Contingently Convertible Preferred Securities (Additional Tier 1)	750	750	9 October 2020	Perpetual ⁹	5.875% (mid-swap + 6.346%) ¹⁰

(1) As of the date of issuance. All issuances are euro denominated, except the 10,000 million yen denominated senior non-preferred bond issued in July 2019, for which the euro equivalent amount at issuance is shown.

(2) All the Issuer Calls are subject to regulatory approval

(3) Yield and equivalent floating rate (expressed as spread over midswap) at the time of issuance.

(4) The Mortgage Covered Bonds correspond to 6 private placements with an average weighted cost of 1.40%.

(5) The Issuer has a one-time call option on 10 July 2025.

(6) The Issuer has a one-time call option on 18 November 2025.

(7) The Issuer has a one-time call option on 9 February 2028.

(8) The Issuer can call de Tier 2 from 18 March 2026 to 18 June 2026.

(9) The Issuer can call the AT1 on the six months prior to 9 April 2028 and quarterly afterwards.

(10) The remuneration of the AT1 is discretionary and subject to certain conditions. It is fixed at 5.875% until 9 April 2028. Thereafter, it will be revised by applying a spread of 634.6 basis points above the 5-year mid-swap rate.

Out of the transactions described in the table above, five have been issued under the Sustainable Development Goals Framework (known as the SDG Framework) that was published in August 2019 to support the United Nations Sustainable Development Goals (SDG). These issuances align the financing of CaixaBank with its model of social and responsible banking:

- CaixaBank has three green bonds outstanding for a total amount of EUR 3 billion: a Tier 2 subordinated green bond issued in March 2021 and two green senior non-preferred bonds issued in November 2020 and February 2021 for EUR 1 billion each. These green bonds are intended to allocate the funds raised to SDG goals number 7, "affordable and clean energy" (to fund renewable energy projects) and number 9, "industry, innovation and infrastructure" (to fund energy-efficient buildings).
- In July 2020, CaixaBank issued a COVID-19 Social Bond for EUR 1 billion in the form of preferred senior debt targeting SDG goal number 8, "decent work and economic growth". Use of proceeds were allotted to curb the effects of COVID-19 by funding SMEs and micro-enterprises located in disadvantaged regions of Spain.
- In September 2019 CaixaBank issued its inaugural Social Bond, for EUR 1 billion, a senior non-preferred issuance, whose net proceeds are intended to be used in support of SDG goal number 1, "no poverty" and SDG goal number 8, "decent work and economic growth". The use of proceeds includes loans granted by MicroBank to individuals or families whose total available annual income is EUR 17,200 or less (SDG goal number 1) and funding daily needs such as healthcare, education or household and vehicle repairs, as well as loans to self-employed workers and SMEs in Spain's most disadvantaged regions.

In October 2020 CaixaBank issued perpetual preferred securities contingently convertible into newly issued ordinary shares of CaixaBank (Additional Tier 1) with exclusion of pre-emption rights for a nominal value of EUR 750 million. The preferred securities were issued at par value and their remuneration, which is discretionary and subject to certain conditions, was fixed at an annual 5.875% until 9 April 2028. Thereafter, it will be revised by applying a spread of 634.6 basis points above the 5-year EUR Mid Swap Rate. Such distributions will be payable quarterly in arrears. The preferred securities are perpetual, although they may be redeemed in certain circumstances at CaixaBank's option, and, in any case, are to be converted into newly issued ordinary shares of CaixaBank if the common equity Tier 1 (CET1) ratio of CaixaBank or of the CaixaBank Group falls below 5.125%. CET1 ratios are calculated in accordance with CRR. The conversion price of the preferred securities would be the higher of: (i) the average of the daily volume-weighted average prices of an ordinary share of CaixaBank on each of the five consecutive dealing days ending on the date on which the conversion event is announced, (ii) EUR 1.209 (the Floor Price), and (iii) the nominal value of an ordinary share of CaixaBank at the time of conversion (as of today, the nominal value of an ordinary share is EUR 1).

On 9 March 2021, CaixaBank, launched a tender for the repurchase of an existing EUR 1,000,000,000 Tier 2 subordinated bond maturing in 2027 and with an early cancellation option in February 2022. Simultaneously with this tender, a new Tier 2 bond was issued (EUR 1.000M 1.25% Reset Notes due June 2026). The purpose of the combined transaction was, amongst others, to efficiently manage the CaixaBank's Tier 2 capital position, improve its debt profile and to optimise its future interest expense, while offering liquidity to the Tier 2 holders. On 17 March 2021, CaixaBank announced the acceptance of all validly tendered Notes for purchase in cash in an aggregate principal amount of EUR 490,200,000.

As a result of the Merger, the perpetual preferred securities contingently convertible into shares of Bankia (Perpetual Non-Cumulative Contingent Convertible Additional Tier 1 Preferred Securities) with ISIN codes XS1645651909 and XS1880365975 became convertible into ordinary shares of CaixaBank and, after the corresponding adjustments, their floor price is EUR 4.35 and EUR 3.21, respectively.

Labour agreements

The Group has reached labour agreements on incentivised voluntary terminations, the latest one having been reached on 31 January 2020.

In relation to the above, the Group keeps funds to cover the commitments of its discontinuation programmes, both in terms of salaries and other social costs, from the moment of termination until reaching the age established in the agreements. Funds are also in place covering length of service bonuses and other obligations with existing personnel. The main programmes initiated from 2019 for which funds are kept are as follows:

Voluntary redundancy schemes:

	YEAR RECOGNISED NUMBER OF PEOPLE		INITIAL PROVISION (Millions of euros)
Labour agreement 08-05-2019	2019	2,023	978
Labour agreement 31-01-2020	2020	228	109

Results of the EU-wide stress test

The CaixaBank Group reported on 2 November 2018 that it took part in the EU-wide stress test, which was coordinated by the European Banking Authority (the **EBA**) and supervised by the ECB. The test used reference data from 31 December 2017 and comprised a three-year period (2018-2020) in two scenarios, baseline and adverse. The results obtained were as follows:

Under the adverse scenario, the fully loaded CET1 ratio of the Group at 31 December 2020 was depleted by 239 basis points, reaching a level of 9.11% from 11.50%, after the initial application of IFRS 9 on 31 December 2017. In this same scenario, the Group's phase-in CET1 ratio also reached 9.11% from an initial 12.54%, after the initial application of IFRS 9, implying a 343 basis point depletion.

Under the baseline scenario, the Group's fully loaded CET1 ratio at 31 December 2020 increased by 210 basis points to a level of 13.60% and the Group's phase-in CET1 ratio increased by 106 basis points.

The 2020 EU-wide stress test was postponed to 2021 to allow banks to prioritise operational continuity as an action to mitigate the impact of COVID-19 on the EU banking sector. As of 13 November 2020, the EBA published the methodology for the 2021 EU-wide stress test, according to which CaixaBank and Bankia will be excluded from taking part in this exercise since the merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company) has been approved by their shareholders (see "*Merger with Bankia*").

COVID-19

The expansion of COVID-19 and the measures taken by the authorities to reduce its spread are expected to have an impact on the global economy during a limited period of time but very severely. The Group wishes to be a key contributor to a rapid recovery of the Spanish and Portuguese economies, facilitating the provision of credit where it may be needed, in coordination with the public guarantee schemes provided by the authorities, while making an efficient use of capital that provides an adequate return to shareholders.

In light of the above, on 26 March 2020, the Issuer announced the decisions taken by its Board of Directors:

- Reduce the cash dividend for the 2019 financial year to EUR 0.07 per share from EUR 0.15 initially planned.
- After considering the new regulatory and supervisory aspects, reduce at 11.5% the objective of the CET1 capital adequacy ratio from the 12% laid down in the 2019-2021 Strategic Plan for December 2021.

- With respect to the dividends policy consisting in the distribution of a cash dividend higher than 50% of the consolidated net profit, the Board of Directors agreed to modify it exclusively for the 2020 financial year, limiting the distribution to a percentage of no more than 30% of the consolidated net profit.
- Following a principle of prudence in the variable remuneration, and as an act of joint responsibility between CaixaBank's Senior Management and the Bank, the Chief Executive Officer and members of the Management Committee have decided to waive their variable remuneration for the 2020 financial year.

Agreement between CaixaBank Payments & Consumer S.A. and Global Payments Inc.

On 30 July 2020, CaixaBank's 100% owned subsidiary CaixaBank Payments & Consumer S.A. (**CPC**) reached an agreement with Global Payments Inc. (**Global Payments**) to sell a 29% stake in the share capital of Comercia Global Payments, Entidad de Pago, S.L. (the **Company**), a joint venture between CPC and Global Payments, for a cash consideration of EUR 493 million (the **Transaction**), which implies a valuation of EUR 1,700 million for 100% of the Company. The Transaction was materialised on 1 October 2020.

As a result of the Transaction, CPC maintains a 20% stake in the share capital of the Company and CaixaBank maintains a presence and degree of significant influence in the Company's merchant acquiring business, while also realising a significant capital gain (EUR 420 million, net of tax, equal to 28 basis points of CET1 ratio - adjusted by dividend accrual).

The current commercial agreement between the Company and CaixaBank will remain in place and be extended until 2040, in order to facilitate product innovation, accelerate the growth trajectory of the business and better serve the client network.

Minimum prudential capital requirements for the CaixaBank Group for 2021

On 17 November 2020, CaixaBank was informed about the minimum capital requirements for the CaixaBank Group for 2021 following the outcome of the Pragmatic Approach in relation to the Supervisory Review and Evaluation Process (SREP)¹⁸. In addition, the Bank of Spain also informed CaixaBank about the capital buffer applicable to Other Systemically Important Institutions (**O-SII**). Both requirements on Pillar 2 and O-SII remain unchanged for 2021 at 1.50% and 0.25% respectively, and require that the CaixaBank Group maintains a CET1 ratio of 8.10%¹⁹ during 2021, which includes the minimum Pillar 1 requirement (4.50%), the ECB Pillar 2 requirement²⁰ (0.84%), the Capital Conservation buffer (2.5%), the O-SII buffer (0.25%)²¹ and the countercyclical buffer (0.01%)²². Similarly, based on the minimum requirements of Pillar 1 applicable to Tier 1 (6%) and Total Capital (8%), the requirements would reach 9.88% for Tier 1 and 12.26% for Total Capital, and 1.13% and 1.5% of P2R requirement, respectively (see "*Capital and Eligible Liabilities Requirements of the Bank*" in section "*Capital and Eligible Liabilities Requirements*").

As a result of these communications, the CET1 threshold below which CaixaBank Group²³ would be forced to limit 2021 distributions in the form of dividend payments, variable remuneration and interest to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.10%, to which potential shortfalls of AT1 or Tier 2 should be added with

¹⁸ In line with the EBA's statement of 22 April 2020, "EBA statement on additional supervisory measures in the COVID-19 pandemic of 22 April 2020".

¹⁹ All percentages refer to the total amount of risk-weighted assets.

²⁰ The CRD 5 establishes that P2R can be partially covered by AT1 instruments and Tier 2 instruments, at least 56.25% must be covered with CET1, 18.75% with AT1 and 25% with Tier 2. Before CRD 5, and prior to their decision on 12 March 2020 related to the COVID-19 pandemic, the ECB required P2R to be covered with CET1 in its entirety. P2R does not apply at an individual level.

²¹ It does not apply at an individual level.

²² As of 31 December 2020. It applies to both individual and consolidated basis. Updated quarterly. It may differ between individual and consolidated level. As of 31 December 2020 both levels coincide.

²³ At an individual level, CaixaBank's CET1 ratio reached 15.1% as of 31 December 2020. This is in comparison with a minimum requirement of CET1 for 2020 of 7.01% (including 0.01% of countercyclical buffer to be updated quarterly). Thus, capital requirements are more restrictive at a consolidated level than at an individual level.

respect to the minimum implicit “Pillar 1” and P2R of 1.78% and 2.38%, respectively. Taking into account the current capital levels of the CaixaBank Group, these requirements do not imply any of the aforementioned limitations.

MREL requirement

On 28 December 2020, the Bank was notified by the Bank of Spain of its Total and Subordinated Minimum Requirements for Own Funds and Eligible Liabilities (**MREL**), as determined by the Single Resolution Board (**SRB**).

As set out in the notification, the Bank, on a consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 20.19% of RWA, which would equate to 22.95% when including the Combined Buffer Requirements (**CBR**). As for the intermediate requirement, the SRB has decided that, by 1 January 2022, the Bank must comply with a Total MREL requirement of 19.33% of RWA, which would be equal to 22.09% when including the CBR.

Furthermore, the Bank, on a consolidated basis, must comply by 1 January 2022 with a Total MREL requirement of 6.09% of the LRE.

With regard to the requirement for a minimum amount of own funds and subordinated eligible liabilities (the Subordinated MREL Requirement), the SRB has decided that CABK, on a consolidated basis, must comply from 1 January 2022 with a Subordinated MREL of 13.50% of RWA, which would equal to 16.26% including the CBR, in addition to a Subordinated MREL of 6.09% over LRE (see "*Capital and Eligible Liabilities Requirements* of the Bank" in section "*Capital and Eligible Liabilities Requirements*").

The MREL requirements are in line with expectations of the Bank. As of 31 December 2020 the Bank, on a consolidated basis, already complied with the Total and Subordinated MREL Requirements, both as a percentage of RWA and as percentage of LRE.

Merger with Bankia

On 17 September 2020, the Boards of Directors of CaixaBank and Bankia approved the joint merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company) (the **Merger**).

The Merger plan was approved by the extraordinary shareholders' meetings of CaixaBank and Bankia held in December 2020 by more than 99% in both cases, with a quorum of more than 70% in the case of CaixaBank, and more than 80% in the case of Bankia.

After obtaining the required authorisations, the Merger was registered with the Commercial Registry of Valencia on 26 March 2021 and, thus, became effective as of that date, and CaixaBank acquired, by universal succession, all the rights and obligations of Bankia. As a result thereof, this was the last day Bankia's shares were traded on the Spanish Stock Exchanges before being exchanged for CaixaBank shares.

CaixaBank covered the Merger exchange ratio by delivering to Bankia's shareholders 0.6845 new-issue ordinary shares of CaixaBank for every share in Bankia with a nominal value of one euro. CaixaBank increased its share capital by issuing 2,079,209,002 new ordinary shares, each of a nominal value of one euro, for distribution to Bankia's shareholders, that started trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges on 29 March 2021. As a result thereof, the share capital of CaixaBank is represented by 8,060,647,033 shares, each of a nominal value of one euro, belonging to the same class and series.

As a result of the Merger, and based on internal calculations, it is expected:

- To be the largest bank in the domestic market, with more than EUR 664 billion total assets, and 20 million customers, representing around 25% of loans and 24% of deposits in Spain (source: internal calculation based on CaixaBank and Bankia financial reports and Bank of Spain statistics).

- To have a well-balanced and diversified geographical presence, with an extensive and specialised network, aiming to maintain CaixaBank's and Bankia's shared principles of accessibility and financial inclusion.
- To enable further improving customer experience due to the resulting network and digital capabilities - with 10 million digital customers in Spain.
- To be able to generate annual cost synergies of approximately EUR 770 million and new annual revenue of around EUR 290 million.
- In terms of solvency objectives, to establish a buffer of between 250 and 300 basis points on the SREP regulatory requirement, and a CET1 capital ratio of between 11.0% and 11.5% without considering IFRS 9 transitional adjustments.

The operational integration process is expected to be carried out before the end of 2021.

Business overview by segment

The objective of business segment reporting is to allow internal supervision and management of the Group's activity and profits. The information is broken down into several lines of business according to the Group's organisation and structure. The segments are defined and segregated taking into account the inherent risks and management characteristics of each one, based on the basic business units which have accounting and management figures.

The business overview by segment of CaixaBank and that of the business contributed by Bankia are described separately below.

CaixaBank business overview by segment

The following description is based on the following principles: (i) the same presentation principles as those used in Group management information, and (ii) the same accounting principles and policies as those used to prepare the financial statements.

Accordingly, the Group is made up of the following business segments according to its consolidated financial statements and management report:

- **Banking and insurance:** shows earnings from the Group's banking, insurance and asset management activity mainly in Spain, as well as liquidity management, ALCO, income from financing the other businesses and the Group-wide corporate centre. It also includes the business acquired by CaixaBank from BPI during 2018 (insurance, asset management and cards) as well as the remaining non-core real estate business (with the exception of Coral Homes) after the sale of 80% of this business in 2018.
- The insurance and banking business is presented in a unified way consistent with the joint business and risk management, since it is a comprehensive business model within a regulatory framework that shares similar monitoring and accounting objectives. The Group markets insurance products, in addition to the other financial products, through its business network with the same client base, because the majority of the insurance products offer savings alternatives (life-savings and pensions) to the banking products (savings and investment funds).
- **Equity investments:** this line of business essentially shows earnings on dividends and/or equity-accounted profits, as well as the trading income, from the stakes held in Erste Group Bank (**Erste**), Telefónica, S.A. (**Telefónica**), Banco Fomento de Angola SA, Banco Comercial e de Investimentos, SA (**BCI**) and Coral Homes. Similarly, it includes the significant impacts on income of other relevant stakes in various sectors.

- **Banco BPI:** covers the income from BPI's domestic banking business. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination and excludes the results and balance sheet figures associated with the assets of BPI assigned to the equity investments business (essentially Banco Fomento de Angola SA and BCI).

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

In 2019, the allocation of capital to the equity investment business was adapted to the Group's capital corporate objective of maintaining a fully-loaded Common Equity Tier 1 (CET1) ratio of 12%, taking into account both the 12% consumption of capital for risk-weighted assets (11% in 2018) and any applicable deductions.

In 2020, the allocation of capital to the investment businesses has been adapted to the Group's new capital corporate objective of maintaining a fully-loaded Common Equity Tier 1 (CET1) ratio of 11.5%, taking into account both the 11.5% consumption of capital for risk-weighted assets and any applicable deductions.

The allocation of capital to Banco BPI is at sub-consolidated level (i.e. taking into account the subsidiary's own funds). The capital consumed in Banco BPI by the investees allocated to the investment business is allocated consistently to this business.

The difference between the Group's total shareholders' equity and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group's corporate centre.

The table below shows the consolidated statement of profit or loss of the Group by business segments for the years ended 31 December 2020 (audited) and 2019 (non audited):

(Millions of euros)

	BANKING AND INSURANCE BUSINESS		INVESTMENTS		BANCO BPI	
	2020	2019	2020	2019	2020	2019
NET INTEREST INCOME	4,534	4,659	(78)	(124)	444	416
Dividend income and share of profit/(loss) of entities accounted for using the equity method *	250	232	186	335	18	21
Net fee and commission income	2,330	2,340			245	258
Gains/(losses) on financial assets and liabilities and others	250	239	(9)	35	(2)	24
Income and expenses under insurance and reinsurance contracts	598	556				
Other operating income and expense	(338)	(369)	(3)		(15)	(17)
GROSS INCOME	7,624	7,657	96	246	690	702
Administrative expenses	(3,657)	(4,803)	(4)	(4)	(378)	(397)
Depreciation and amortisation	(479)	(479)			(61)	(67)
PRE-IMPAIRMENT INCOME	3,488	2,375	92	242	251	238
Impairment losses on financial assets and other provisions	(2,123)	(811)			(40)	200
NET OPERATING INCOME/(LOSS)	1,365	1,564	92	242	211	438
Gains/(losses) on disposal of assets and others	216	(169)	(311)		28	2
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	1,581	1,395	(219)	242	239	440
Income tax	(179)	(332)	24	71	(65)	(108)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	1,402	1,063	(195)	313	174	332
Profit/(loss) attributable to minority interests		3				
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	1,402	1,060	(195)	313	174	332
Total assets	410,689	355,416	3,267	4,554	37,564	31,444
Of which: positions in sovereign debt	106,492	91,549			6,141	4,637

(*) Insurance business includes the contribution of the stake in SegurCaixa Adeslas.

Banking and Insurance

This is the Group's core business segment and includes the entire banking business (retail banking, corporate and institutional banking, among others, cash management and market transactions) and insurance business, primarily carried out in Spain through its branch network and other distribution channels. The banking business segment also includes the liquidity management and the asset liability committee (ALCO) and income from financing other businesses.

The Group's gross balance of customer loans amounted to EUR 218,277 million as at 31 December 2020 (compared to EUR 203,103 million as at 31 December 2019). Total customer funds, using management criteria, amounted to EUR 382,794 million as at 31 December 2020 (compared to EUR 354,497 million as at 31 December 2019).

Banking Business

The Banking Business relies on a universal banking model based on quality, innovation, accessibility and personalised service, with a wide range of products and services that are adapted to customers' various needs and an extensive multi-channel distribution network.

As of 31 December 2020, CaixaBank had over 13.4 million customers in Spain, including individuals, companies and institutions, served through a network of 3,786 branches in Spain, of which 3,571 are retail branches.

The Banking business has different divisions based on the type of customers its services are directed at:

Retail Banking

Retail Banking is directed at individuals with less than EUR 60,000 in net worth, as well as businesses, including retail establishments, self-employed and freelance professionals, micro-companies and agribusiness, with a turnover of less than EUR 2 million annually. This division represents the Group's most traditional business, and provides the basis for the development of other, more specialised, lines of business. As a result of CaixaBank's high-quality multi-channel approach it has strengthened customer loyalty through the launch of a wide range of new products and services.

The market share for payroll deposits, which is a key indicator of customer engagement, has evolved from 27.1% as of 31 December 2019 to 27.6% as of 31 December 2020 (*data prepared in-house based on Social Security data*).

Premier Banking division is directed towards individual customers with a net worth of between EUR 60,000 and EUR 500,000, with advisory services provided by specialised managers that are focused on tailored solutions to customer needs. Meanwhile, the Private Banking division is aimed at customers with assets under management in excess of EUR 500,000, with services offered by professionals through exclusive Private Banking Centres.

Business Banking

The Business Banking division provides services to business customers with annual turnover of between EUR 2 million and EUR 200 million. The purpose of this specialised business line is to establish a long-term relationship with companies, underpinning their growth and day-to-day management.

CaixaBank manages this business line through a network of specialised offices and specialist managers. Customers also receive support from the Group's branch network and advisory services from its professionals specialised in financing and services, treasury and foreign trade.

Corporate and Institutional Banking

The Corporate and Institutional division provides services to business customers with annual turnover in excess of EUR 200 million.

Corporate Banking's value proposition offers a tailor-made service to corporate clients, seeking to become their main bank. This involves crafting personalised value propositions and working with clients in export markets.

Institutional Banking serves public and private-sector institutions, through specialist management of financial services and solutions.

International Business

The Group provides international banking services to its clients through operating branches: one in Poland (Warsaw), one in the United Kingdom (London), three in Morocco (Casablanca, Tangier and Agadir), one in Germany (Frankfurt), and one in France (Paris), representative offices and correspondent banks.

Insurance

CaixaBank complements its banking services with a variety of life insurance, pension and general insurance products and services. The Group offers these insurance and pension products and services through the following entities:

- VidaCaixa, S.A.U. de Seguros y Reaseguros, a wholly-owned subsidiary through which the Group provides life insurance products and pension plans.
- SegurCaixa Adeslas, S.A. (**SegurCaixa Adeslas**), an associate to the Group (49.9% of which is owned by VidaCaixa, 50% of which is owned by Mutua Madrileña and the remaining 0.1% of which is owned by minority shareholders), through which the Group provides non-life insurance products.

As of 31 December 2020 and 31 December 2019, VidaCaixa was the largest provider in the Spanish market, with 26.3% and 25.5% share of the pension market, respectively (according to INVERCO (*Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones*)) and 29.3% and 28.1% share of the life insurance market, respectively, regarding technical provisions (according to ICEA (*Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*)).

As of 31 December 2020 and 31 December 2019, SegurCaixa Adeslas was the market leader in health insurance in Spain, with a market share of 30.4% and 30.1%, respectively, and had a number two market position in the Spanish home insurance market (Source: ICEA (*Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*)).

Equity Investments

The Equity Investments business line includes the income of equity stakes in international financial entities, such as Erste, as well as stakes in certain corporates mainly in the service sector, such as Telefónica, among others.

Erste

Erste Group Bank is one of the leading banking groups in Austria and the Central and Eastern Europe region in terms of total assets. Erste Group Bank is present in Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia (core markets). Erste Group Bank serves a total of around 16.1 million customers through a network of 2,193 branches in its core markets. As of 31 December 2020, Erste Group Bank had total assets amounting to EUR 277,344 million (EUR 245,693 million as of 31 December 2019) (Source: *Erste Group investor presentation – FY 2020 preliminary results, 26/02/2021*).

As of 31 December 2020 and 2019, CaixaBank held 9.92% of the issued outstanding share capital of Erste Group Bank.

Telefónica

Telefónica is a digital telecommunications operator, present in 14 countries across Europe and Latin America. It generated 71% of its business outside Spain, being the leading operator in the Spanish-Portuguese speaking market. For the year 2020, Telefónica achieved consolidated revenues of approximately EUR 43.1 billion and, at 31 December 2020, its total accesses amounted to more than 345 million, of which, 266.3 million were mobile phones, 28.2 million fixed telephony, 20.1 million Broadband, 8.1 million pay TV and 25.5 million wholesale accesses. As of 31 December 2020, total assets managed by Telefónica amounted to approximately EUR 105 billion (Source: *Telefónica's financial statements and company website*).

As of 31 December 2020, CaixaBank held 4.9% of the issued outstanding share capital of Telefónica (5.0% at 31 December 2019). The stake decreased to 4.7% after the last scrip dividend payable in cash (on 5 January 2021).

Banco BPI

The Banco BPI business segment includes the profit and loss contributed by Banco BPI to the consolidated Group from the acquisition of control in February 2017, at which time the Group began fully consolidating the interest held. The statement of profit and loss reflects the reversal of the adjustments derived from the fair value measurement of assets and liabilities assumed in the business combination. Equity in this business segment relates exclusively to Banco BPI's equity at the sub-consolidated level.

As of 31 December 2020, Banco BPI had solid market shares in Portugal, with 1.9 million customers: 10.7% in lending activity and 11.3% in customer funds (data prepared in-house; for customers funds includes deposits, mutual funds, capitalisation insurance and insured pensions plans) (Source: *Banco de Portugal, APS, APFIPP*).

As of 31 December 2020, CaixaBank's stake in Banco BPI stood at 100% (100% as of 31 December 2019) (See "*Main singular equity investments and disinvestments in 2019, 2020 and 2021*" for additional information).

Bankia business overview by segment

The merger with Bankia (described in the section "*Key events in 2019, 2020 and 2021*") implies the addition of a significant balance of customer loans and funds. As of 31 December 2020 Bankia had EUR 124,328²⁴ million in gross customer loans and EUR 156,189 million in customer funds²⁵.

This section shows financial information on the different business segments of Bankia:

- **Retail Banking:** includes retail banking with legal and natural persons (with annual turnover of less than EUR 6 million), Private Banking and Asset Management activity, and the Bancassurance Directorate distributed through a large multi-channel network in Spain and operating a customer-focused business model.
- **Business Banking:** serves legal persons with annual sales volumes of over EUR 6 million as well as the main public sector players (e.g. the State and the Autonomous Regions, among others) (Business Banking and Corporate Banking), and activities in Capital Markets (trading in derivatives, financial advisory services, loan and special finance origination, fixed income origination and trading, and distribution of fixed income products to the network), and has specialised Business Development teams (including foreign trade, products and services, business intelligence and sustainable financing).

²⁴ Figure under management criteria.

²⁵ Customer loans and funds data under management criteria as included in Bankia's 2020 Annual Earning Report.

Other individuals, legal persons and selfemployed persons with revenues below this threshold are served by the Retail Banking area for these purposes.

- **Corporate Centre:** deals with any areas other than those already mentioned, including the Investees Management area, as well as "Non-current assets held for sale".

Bankia's Profit/loss by business segment for 2020 and 2019 is as follows:

2020:

(in thousands of euros)

ITEM	Retail Banking	Business Banking	Corporate Centre	Group
NET INTEREST INCOME	831,125	425,746	647,247	1,904,118
Dividend income	-	17	1,837	1,854
Share of profit or loss of entities accounted for using the equity method	-	-	59,749	59,749
Fee and commission income and expenses	963,484	212,669	36,653	1,212,806
+/- Gains or losses on financial assets and liabilities and exchange differences	(115)	41,511	118,761	160,157
+/- Other operating income and expenses	(168,775)	(14,771)	(66,715)	(250,261)
GROSS INCOME	1,625,719	665,172	797,532	3,088,423
Administrative expenses	(916,535)	(63,585)	(605,078)	(1,585,198)
Depreciation and amortisation	(92,337)	(2,257)	(100,778)	(195,372)
RESULTS FROM OPERATING ACTIVITIES BEFORE PROVISIONS	616,847	599,330	91,676	1,307,853
Provisions or (-) reversal of provisions	13,751	7,463	3,217	24,431
Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss	(286,692)	(205,644)	(551,456)	(1,043,792)
Impairment losses on other assets (net) and other gains and losses	104	10	22,887	23,001
PROFIT/(LOSS) BEFORE TAX	344,010	401,159	(433,676)	311,493

2019:

(in thousands of euros)

ITEM	Retail Banking	Business Banking	Corporate Centre	Group
NET INTEREST INCOME	1,283,839	398,767	340,421	2,023,027
Dividend income	-	185	17,249	17,434
Share of profit or loss of entities accounted for using the equity method	-	-	60,024	60,024
Fee and commission income and expenses	870,037	178,752	31,854	1,080,643
+/- Gains or losses on financial assets and liabilities and exchange differences	524	40,398	272,387	313,309
+/- Other operating income and expenses	(158,800)	(8,469)	(82,138)	(249,407)
GROSS INCOME	1,995,600	609,633	639,797	3,245,030
Administrative expenses	(934,499)	(61,675)	(619,554)	(1,615,728)
Depreciation and amortisation	(91,778)	(1,840)	(107,334)	(200,952)
RESULTS FROM OPERATING ACTIVITIES BEFORE PROVISIONS	969,323	546,118	(87,091)	1,428,350
Provisions or (-) reversal of provisions	(3,523)	55,137	(66,166)	(14,552)
Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss	(287,760)	102,176	(277,357)	(462,941)
Impairment losses on other assets (net) and other gains and losses	(193)	-	(194,974)	(195,167)
PROFIT/(LOSS) BEFORE TAX	677,847	703,431	(625,588)	755,690

Business by Geographical Area

CaixaBank business by geographical area

The Group's ordinary income for the years ended 31 December 2020 and 2019 by geographical area is as follows:

DISTRIBUTION OF ORDINARY INCOME*

(Millions of euros)

	ORDINARY INCOME FROM CUSTOMERS		ORDINARY INCOME BETWEEN SEGMENTS		TOTAL ORDINARY INCOME	
	2020	2019	2020	2019	2020	2019
Banking and insurance	11,245	11,345	90	138	11,335	11,483
Spain	11,039	11,170	90	138	11,129	11,308
Other countries	206	175			206	175
Equity Investments	177	370			177	370
Spain	62	106			62	106
Other countries	115	264			115	264
Banco BPI	750	757	42	64	792	821
Portugal/Spain	742	749	42	64	784	813
Other countries	8	8			8	8
Ordinary adjustments and eliminations between segments			(132)	(202)	(132)	(202)
TOTAL	12,172	12,472	0	0	12,172	12,472

(*) Corresponding to the following items in the Group's public statement of profit or loss.

1. Interest income
2. Dividend income
3. Share of profit/(loss) of entities accounted for using the equity method
4. Fee and commission income
5. Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
6. Gains/(losses) on financial assets and liabilities held for trading, net
7. Gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net
8. Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net
9. Gains/(losses) from hedge accounting, net
10. Other operating income
11. Income from assets under insurance and reinsurance contracts

Bankia business by geographical area

Bankia's consolidated ordinary income for the years ended 31 December 2020 and 2019 by geographical area was as follows:

(in thousands of euros)		
ITEM	31/12/2020	31/12/2019
Domestic market	3,783,957	3,996,620
International market:	-	771
European Union	-	-
Other OECD countries	-	-
Other countries	-	771
Total	3,783,957	3,997,391

Main singular equity investments and disinvestments in 2019, 2020 and 2021

Banco BPI acquisition process

The business combination with Banco BPI was implemented in 2017. The takeover of Banco BPI entailed a change in the nature of this investment, from an investment in an associate to an investment in a Group company. From an accounting perspective, the change in the nature of the investment led to a revaluation of

the previous stake of 45.5% in Banco BPI to the bid price, generating a gross loss of EUR 186 million under Gains/(losses) on derecognition of non-financial assets and investments (net) in the Group's consolidated statement of profit or loss for 2017, and a simultaneous recognition of 100% of the assets and liabilities comprising the stake in Banco BPI as part of the purchase price allocation (**PPA**) required under IFRS 3. The accounting of the PPA resulted in a negative difference arising on consolidation of EUR 442 million in the 2017 consolidated statement of profit or loss.

In view of the foregoing, at the date of acquisition of control, the total impact – on the 2017 income statement – of the business combination reached EUR 256 million.

On 6 May 2018 CaixaBank announced the acquisition of an 8.42% stake of the share capital of Banco BPI owned by Allianz group, for a total price of EUR 178 million (EUR 1.45 per share), becoming the holder of 92.93% of the share capital of Banco BPI. This price represented a premium of 22.67% on the share price and a premium of 22.16% with respect to the average price weighted by the price volume of the last 6 months.

With a majority of 99.26% of the votes issued, on 29 June 2018 the Banco BPI General Shareholder's Meeting approved the delisting and the purchase offered by CaixaBank to the shareholders that did not vote in favour, at a price of EUR 1.45 per share. Subsequently, on 12 July 2018, Banco BPI requested its delisting from the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) (the **CMVM**).

Between 5 May and 23 August 2018, CaixaBank purchased shares in Banco BPI on the market for a price equal to or lower than EUR 1.45 per share, until reaching 94.9% of its share capital.

Finally, on 27 December 2018, after the delisting and the combination of the offer intended for the shareholders who had not voted in favour of the delisting and the takeover offer in the area of article 490 of the Company Code, CaixaBank exercised its sell-out right on the Banco BPI shares which it did not yet hold at a price of EUR 1.47 per share, and thus, became the holder of 100% of the Banco BPI share capital.

The sell-out right was settled at the beginning of January 2019. The disbursement in order to acquire 5.1% of the share capital after the delisting from the stock exchange and to reach 100% of the Banco BPI share capital amounted to EUR 108 million and did not affect the consolidated statement of profit or loss.

Agreement to sell the stake in Repsol

On 20 September 2018, the Group began disposal of the then current shareholding in Repsol, in line with the guidelines set out in the current strategic plan.

The impact deriving from the loss of significant influence in the shareholding in Repsol, after the execution of the equity-swap contracts and the reclassification of the residual shareholding to the financial heading "Financial assets at fair value with changes in other comprehensive income" of the consolidated balance sheet stood at a gross loss of EUR 453 million, registered under the heading "Gains/(losses) on derecognition of non-financial assets, net" of the 2018 income statement.

The divestment of the residual holding recorded under "Financial assets at fair value with changes in other comprehensive income" finalised in 2019.

Agreement to sell the stake in Comercia

See information in "Key events in 2019, 2020 and 2021" section ("*Agreement between CaixaBank Payments & Consumer S.A. and Global Payments Inc.*").

Merger with Bankia

See information in "Key events in 2019, 2020 and 2021" section ("*Merger with Bankia*").

Trend information

In light of global events (in particular, the impact of COVID-19) occurred in 2020 and 2021 up to the date of registration of this Base Prospectus, the essential aspects of the macroeconomic framework were reviewed and the relevant scenarios for the purposes of the Bank's activity are:

Global economic scenario

In 2020, the global economy, largely affected by the COVID-19 shock, fell by 3.3% on an annual basis (as reported by the International Monetary Fund), a bloated figure surpassing that of the Great Recession of 2009. The year ended with many countries facing a new wave of COVID-19, although the global economy was affected to a lesser extent than during the first wave in the spring of 2020. This lower impact was, to a great extent, the result of implementing lockdown measures which were more targeted and less invasive to economic activity. The early months of 2021 followed on the latter footsteps of 2020, with a new wave hitting the northern hemisphere and the previous wave receding in the southern hemisphere. As a result, the global recovery process will undoubtedly have stalled.

In the coming months, the macroeconomic scenario is expected to continue to grapple with potential further outbreaks of the virus. In this context, the vaccination process, which is currently being implemented globally at an asymmetric speed (faster in the United States and the United Kingdom, slower in the EU), should allow for a gradual easing of activity restriction and mobility measures in the coming months. Similarly, the deployment of vaccines is diluting the odds associated with extremely severe scenarios.

In an environment in which pandemic swings still hamper a major advance of global economic recovery, fiscal and monetary authorities have unveiled new stimulus measures. These include the strong fiscal stimulus approved in the United States, equivalent to about 9.0% of the country's GDP. This stimulus package largely comprises direct aid and is expected to be spent for the most part during 2021. Stimuli of this extent can be expected to have international implications and support growth in America's major trading partners, Europe being one of them.

The increase in fiscal stimulus has been accompanied by a concern of a possible rise in inflation. Despite this concern, and in view of the reading that the tightening of prices should be temporary, central banks have reiterated their commitment to an environment of loose financial conditions for an extended period of time, thereby giving priority to consolidating an economic expansion that is still in the making.

Ultimately, the evolution of the pandemic and medical advances will continue to shape the macroeconomic scenario in the coming months. The first quarter of 2021 has already been affected by the third outbreak of the virus, thus, the worst-affected economies are likely to continue to along a trend of minimal growth, which in some cases could even slide toward negative rates. Following the first quarter, the deployment of vaccines, especially among the highest-risk groups, should relieve pressure on the health system and allow for a gradual withdrawal of measures to curb mobility and activity. Consequently, the Issuer forecasts a substantial rebound in economic activity (global growth of 5.9%). However, the confidence intervals around the macroeconomic outlook remain unusually large, particularly because the epidemiological evolution — as evidenced by the emergence of new variants — remains uncertain.

Eurozone

Following a slight decline in eurozone activity in the fourth quarter of 2020, the latest data suggest that activity could continue to slip in the first quarter of 2021 due to the measures implemented to address new outbreaks of the virus. However, the decline is expected to be moderate, and should not compromise the improvement in growth forecast for the coming quarters, although this may differ significantly among Member States. Economies that have been affected by the pandemic to a lesser extent, those with an economic structure less sensitive to the restrictions on mobility and/or more fiscal space are expected to better ride out this situation.

However, the Issuer expects the recovery to pick up in the second half of the year and — together with the vaccination of the main risk groups —bring overall growth for 2021 to 4.1% (forecasting of the Issuer).

In this area of economic policy, it is worth noting the role of the Recovery Plan proposed by the European Commission (named NGEU), which is expected to favour a synchronised reactivation at a European level. The funds (EUR 360,000 million in loans and EUR 390,000 million in transfers) provide a significant amount to support the short-term economic recovery. In addition, the Plan provides incentives aimed at transforming and modernising the economies (placing special emphasis on the environmental and technological transitions) and includes elements, such as issuing a significant amount of common bonds, which could lay the foundations for a leap forward in building Europe.

Spain and Portugal

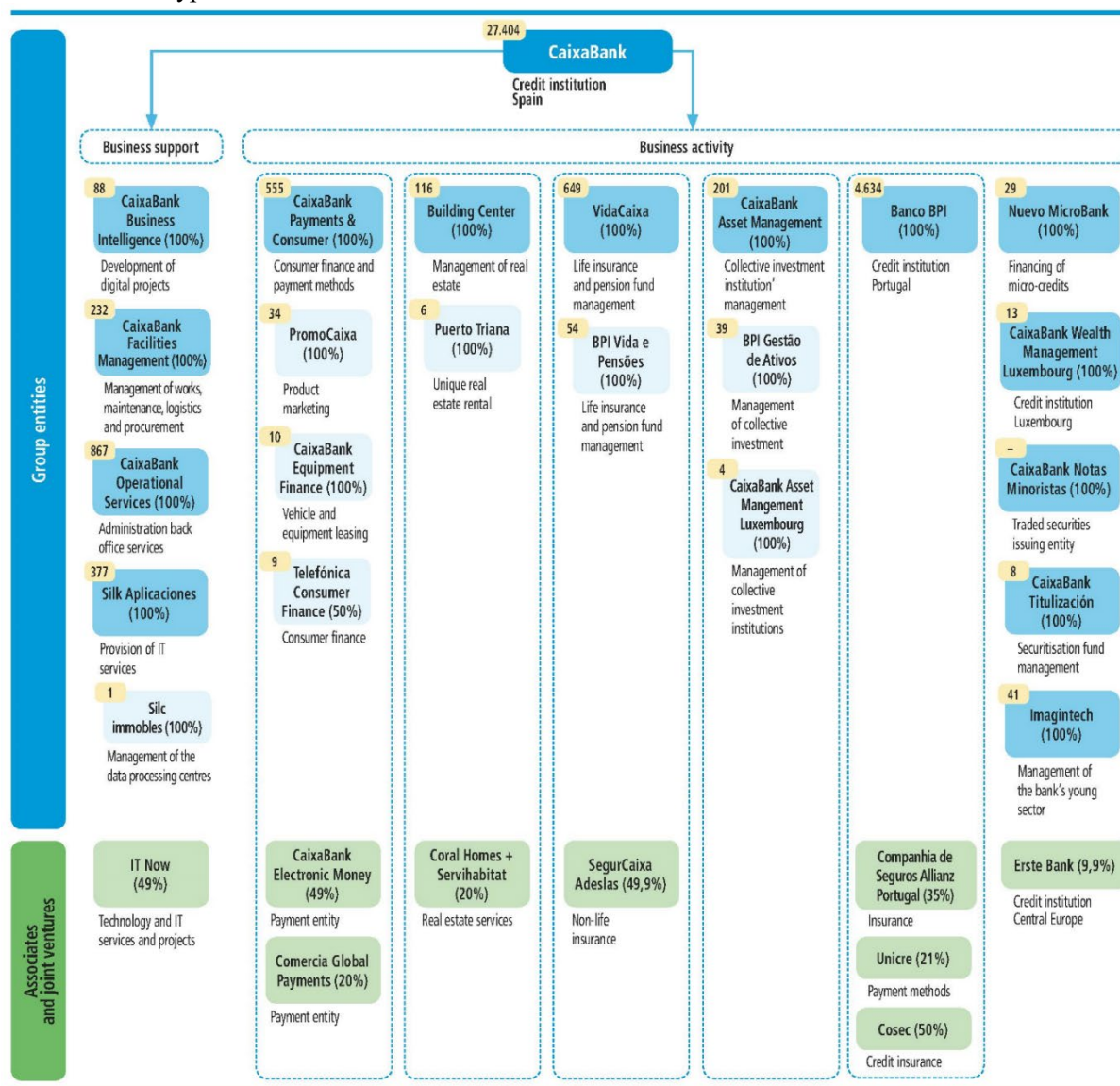
The indicators available to date indicate that the Spanish economy could follow a momentum similar to that of Europe. Thus, the Issuer considers that the impact of the third wave of the virus may cause GDP to contract by around 0.5% quarterly in the first quarter of 2021. Subsequently, the scenario remains closely linked to the evolution of the pandemic. While the rate of vaccination is expected to increase resolutely during the second quarter of 2021, vaccine deployment among the major risk groups is not expected to be completed until the middle or end of the quarter. Thus, the economy could still be affected by new outbreaks of the virus in the coming weeks. However, the economic impact of these new waves should continue to decline and lead to a strong economic recovery that the Issuer expects to result in 6.0% growth overall for the year.

In light of the prolonged impact of the pandemic, the Spanish Government has introduced new measures to support the economy. Most noteworthy is the EUR 11 billion package of aid to companies to prevent temporary liquidity problems from unnecessarily leading to solvency problems.

In Portugal, the severity of the third wave of infections forced the implementation of much more drastic lockdown measures than those implemented in Spain. The impact of the measures has already been reflected in falling contagion rates, but they have affected much of the first quarter of the year. Thus, in the first quarter of 2021, the decline in GDP is expected to be sharper than in the case of Spain.

Organisational Structure

The table below shows the main subsidiaries, joint ventures and associates within the Group as of 31 December 2020 and their type of link:



Number of employees.

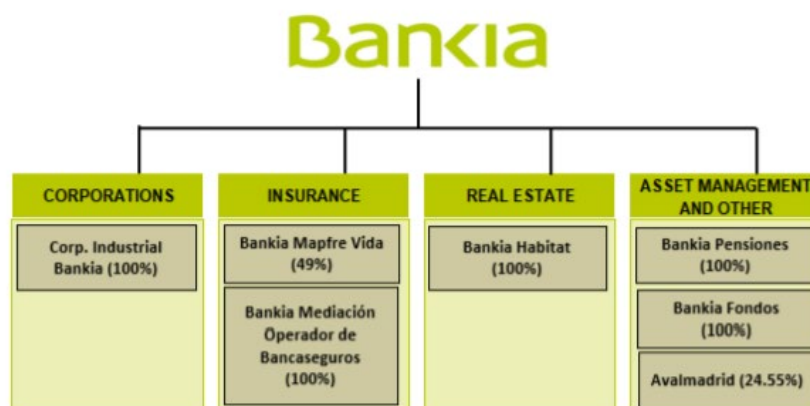
Subsidiaries in which CaixaBank has a direct shareholding.

Subsidiaries in which CaixaBank has an indirect shareholding.

N.B. Includes the most relevant companies contributing to the Group, excluding share-based operations (dividends) and extraordinary.

The above chart does not reflect the structure contributed by the merger with Bankia. As of 31 December 2020 Bankia was the parent company of the consolidated group made of 41 companies comprising subsidiaries, joint ventures and associates, engaging in a range of activities, including the provision of finance, insurance, asset management, services, real estate development and management. The ownership interests in the

companies comprising the consolidated Bankia group were kept directly in Bankia's own portfolio or, indirectly, through different holdings, the most relevant of which as of 31 December 2020 were as follows:



Capital structure

As at the date of this Base Prospectus, CaixaBank's share capital is EUR 8,060,647,033 divided into 8,060,647,033 fully subscribed and paid ordinary shares with a par value of EUR 1 each. All shares are of the same class with the same rights attached.

CaixaBank's shares are admitted to trading on the Spanish stock exchanges and on the continuous market, and have been included in the IBEX 35 since 4 February 2008. CaixaBank is subject to the oversight of the CNMV, the ECB and the Bank of Spain.

Major Shareholders

The following table sets forth information as of 23 April 2021 concerning the significant ownership interests of CaixaBank's shares (as defined by Spanish regulations, those who hold a stake in the Issuer's share capital representing 3% or more of the total voting rights, or 1% or more if the relevant significant shareholder is established in a tax haven), based on filings with the CNMV, excluding the members of the Board of Directors:

Name of Shareholder	Ownership (voting rights in shares)		
	Direct	Indirect	% Total
la Caixa Banking Foundation ⁽¹⁾	-	2,419,131,875	30.012
FROB ⁽²⁾	-	1,299,124,905	16.117
Blackrock INC ⁽³⁾	-	210,370,660	2.610

Notes:

(1) la Caixa Banking Foundation's indirect stake is held through its wholly subsidiary CriteríaCaixa.

(2) FROB's indirect stake is held through its wholly subsidiary BFA Tenedora de Acciones, S.A.U.

(3) In addition to the 2.610% voting rights in shares, Blackrock INC has reported on 30 March 2021 entitlement to 0.040% voting rights through financial instruments and 0.481% voting rights through CFDs, that represents a total position of 3.131% of voting rights of CaixaBank.

The Savings Banks and Banking Foundations Act requires banking foundations to enter into a protocol for managing their stakes in financial institutions. The Caixa Banking Foundation protocol managing its ownership interest in CaixaBank regulates, among others: (a) the basic strategic lines governing the management by la Caixa Banking Foundation of its ownership interest in CaixaBank; (b) the relationships between the board of trustees of la Caixa Banking Foundation and CaixaBank's governing bodies; (c) the general criteria governing transactions between la Caixa Banking Foundation and CaixaBank and the

mechanisms to avoid conflicts of interest; and (d) the granting to la Caixa Banking Foundation of a right of first refusal in respect of the interest of CaixaBank in Monte de Piedad.

In addition, la Caixa Banking Foundation as parent company of the “la Caixa” group, CriteriaCaixa, as direct shareholder of CaixaBank, and CaixaBank, as a listed company, have an Internal Relations Protocol in place whose main objectives are: (a) to manage the related-party transactions deriving from transactions or services rendered; (b) to establish mechanisms that attempt to avoid the emergence of conflicts of interest; (c) to make provision for la Caixa Banking Foundation to have a pre-emptive right in the event of a transfer by CaixaBank of Monte de Piedad; (d) to establish the basic principles for a possible collaboration between CaixaBank and la Caixa Banking Foundation; and (e) regulate the proper flow of information so that la Caixa Banking Foundation, CriteriaCaixa and CaixaBank can elaborate their financial statements and comply with periodical information and supervision obligations. Another essential objective of the protocol is the acceptance and firm commitment of the parties to comply with the conditions established by the ECB for the prudential deconsolidation of Criteria in CaixaBank.

CaixaBank is not aware of the existence of any agreement which could lead to a change of control at a subsequent date.

Management of the Issuer

The Board of Directors is the Bank's most senior representative, management and administrative body with powers to adopt agreements on all matters except those that fall within the remit of the General Shareholders Meeting and it ensures regulatory compliance and the implementation of good practices in the performance of its activity, as well as adherence to the additional principles of social responsibility that it has voluntarily assumed.

At CaixaBank, the Chairperson and CEO have different yet complementary roles. There is a clear division of responsibilities between each position. The Chairperson is the senior representative of the Bank and also an executive director with executive responsibilities over certain areas. The Board of Directors has appointed a CEO, who is the major executive director of the Bank and is responsible for the day-to-day management under the supervision of the Board. There is also a delegated committee, the Executive Committee, which has executive functions (excluding those that cannot be delegated). It reports to the Board of Directors and meets on a more regular basis.

There is also a Lead Director appointed from among the independent directors, who is responsible for handling, coordinating and expressing the concerns of the other Independent Directors, as well as directing the periodic assessment of the Chairperson, chairing the Board of Directors in the absence of the Chairperson and Deputy Chairperson, in addition to other assigned duties.

The directors meet the requirements of honorability, experience and good governance in accordance with the applicable law at all times, considering, furthermore, recommendations and proposals for the composition of administrative bodies and profile of directors issued by authorities and national or community experts.

In accordance with its current By-laws (*Estatutos*), the Board of Directors must consist of a minimum of 12 and a maximum of 15 members.

All members of the Board of Directors are elected to serve 4-year terms and may be re-elected one or more times for periods of equal length (nevertheless, independent Directors will not stay on as such for a continuous period of more than 12 years). CaixaBank's Board of Directors Regulations state that the Board of Directors shall endeavour to ensure that external Directors or non-executive Directors represent a broad majority over executive Directors and that the latter should be the minimum.

Committees of the Board of Directors

As part of its self-governance activities, the Board of Directors of CaixaBank, besides the Executive Committee, has five specialised committees, with supervisory and advisory powers, which are: (i) the Audit and Control Committee, (ii) the Appointments Committee, (iii) the Remuneration Committee, (iv) the Risks Committee and (v) the Innovation, Technology and Digital Transformation Committee.

The Board of Directors and its Committees are governed by the provisions of the By-laws and the Board of Directors Regulations. The composition, functions and regulations of the Board of Directors and its Committees is available at CaixaBank's corporate website (www.caixabank.com).

The Board of Directors has delegated all of its powers in favour of the Executive Committee, except for those which cannot be delegated pursuant to the provisions of the Spanish Companies Law, the Board Regulations and CaixaBank's By-laws.

Senior Management

In addition, the Senior Management (*Comité de Dirección*) of CaixaBank is composed of CaixaBank's CEO and the persons responsible for the different areas within the Bank.

The CEO, the Senior Management, and the main committees of the Bank are responsible for the daily management, implementation and development of the decisions made by the Corporate Governance Bodies.

Board of Directors

The table below sets out the names of the members of the Board of Directors, the respective dates of their first appointment, their positions within CaixaBank and the nature of their membership:

Name	Post	Nature	Date of first appointment	Shareholder represented
José Ignacio Goirigolzarri ^{(10) (15)}	Chairman	Executive	03-12-2020	
Tomás Muniesa ^{(10) (14)}	Deputy Chairman	Proprietary	01-01-2018 ⁽²⁾⁽³⁾	"la Caixa" Banking Foundation
Gonzalo Gortázar ^{(10) (15)}	CEO	Executive	30-06-2014 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	--
John S. Reed ⁽¹¹⁾	Lead Independent Director	Independent	03-11-2011 ⁽⁴⁾⁽⁷⁾	--
Joaquín Ayuso ^{(13) (14)}	Director	Independent	03-12-2020	
Francisco Javier Campo ^{(11) (12)}	Director	Independent	03-12-2020	
Eva Castillo ^{(10) (15)}	Director	Independent	03-12-2020	
Fernando María Costa ^{(11) (14)}	Director	Other external	03-12-2020	
María Verónica Fisas ^{(10) (14)}	Director	Independent	25-02-2016 ⁽⁸⁾	--
Cristina Garmendia ^{(12) (13) (15)}	Director	Independent	05-04-2019	--
María Amparo Moraleda ^{(10) (13) (15)}	Director	Independent	24-04-2014 ⁽⁴⁾	--
Eduardo Javier Sanchiz ^{(11) (12) (14)}	Director	Independent	21-09-2017 ⁽²⁾	--
Teresa Santero ⁽¹²⁾	Director	Proprietary	03-12-2020	FROB and BFA Tenedora de Acciones S.A.U.
José Serna ^{(12) (13)}	Director	Proprietary	30-06-2016 ⁽¹⁾	"la Caixa" Banking Foundation
Koro Usarraga ^{(10) (12) (14)}	Director	Independent	30-06-2016 ⁽¹⁾	
Óscar Calderón	General Secretary and Secretary to the Board of Directors	General Secretary and Secretary to the Board of Directors (non-director)	27-06-2011 ⁽⁹⁾	
Óscar Figueres	First Deputy Secretary to the Board of Directors	First Deputy Secretary to the Board of Directors (non-director)	23-10-2017	

Notes:

(1) Ratified and appointed Board of Director member on 6 April 2017.

- (2) Ratified and appointed Board of Director member on 6 April 2018.
(3) Qualified as Proprietary Director on 22 November 2018.
(4) Reelected on 5 April 2019.
(5) Ratified and appointed Director on 23 April 2015.
(6) Reelected CEO on 23 April 2015 and 5 April 2019.
(7) Appointed as Lead Independent Director by the Board on 20 February 2020, with effects since 22 May 2020.
(8) Ratified and appointed as Director on 28 April 2016. Reelected Board of Director member on 22 May 2020.
(9) Appointed Secretary to the Board of Directors on 1 January 2017. Appointed General Secretary on 29 May 2014.
(10) Member of the Executive Committee. Mr José Ignacio Goirigolzarri is the Chairman of the Executive Committee.
(11) Member of the Appointments Committee. Mr John S. Reed is the Chairman of the Appointments Committee.
(12) Member of the Audit and Control Committee. Ms. Koro Usarraga is the Chairwoman of the Audit and Control Committee.
(13) Member of the Remuneration Committee. Ms. María Amparo Moraleda is the Chairwoman Remuneration Committee.
(14) Member of the Risks Committee. Mr. Eduardo Javier Sanchiz is the Chairman of the Risks Committee.
(15) Member of the Innovation, Technology and Digital Transformation Committee. Mr. José Ignacio Goirigolzarri is the Chairman of the Innovation, Technology and Digital Transformation Committee.

The business address of each member of the Board of Directors is Calle Pintor Sorolla, 2-4, 46002 Valencia, Spain.

The table below sets out all entities in which the members of the Board of Directors are members of administrative, management or supervisory bodies or in which they hold partnership positions as of the date of this Base Prospectus, notified to the Register of Senior Officers at the Bank of Spain, except (i) purely familiar or patrimonial companies, (ii) subsidiaries of an issuer in which they are also a member of the administrative, management or supervisory bodies and (iii) CaixaBank Group companies.

Name	Company	Title
José Ignacio Goirigolzarri	Spanish Confederation of Savings Banks - CECA	Deputy Chairman
	Garum Fundacion Fundazioa	Chairman
Tomás Muniesa	SegurCaixa Adeslas, S.A. de Seguros y Reaseguros (multigrupo)	Deputy Chairman
	Companhia de Seguros Allianz Portugal, S.A.	Director
Joaquin Ayuso	Adriano Care Socimi, S.A.	Chairman
Francisco Javier Campo	Meliá Hotels International, S.A.	Director
Eva Castillo	Zardoya Otis, S.A.	Director
	International Consolidated Airlines Group, S.A. (IAG)	Director
María Verónica Fisas	Natura Bissé Int. S.A. (España)	CEO
Cristina Garmendia	Mediaset España Comunicación, S.A.	Director
	Compañía de Distribución Integral Logista Holding, S.A.	Director
	Ysios Asset Management, S.L.	Director
María Amparo Moraleda	Vodafone Group, PLC	Director
	Solvay, S.A.	Director
	Airbus Group, N.V.	Director
John.S. Reed	American Cash Exchange	Chairman
Eduardo Javier Sanchiz	Pierre Fabre, S.A.	Director
Koro Usarraga	2005 KP Inversiones, S.L.	Director
	Vehicle Testing Equipment, S.L.	Director
	Vocento, S.A.	Director

CaixaBank's Board of Directors Regulations include rules which are designed to prevent situations where a potential conflict of interest may arise. These Regulations provide, among other matters, that directors must

abstain from attending and intervening in deliberations and voting which affect matters in which they are personally interested.

Since 1 January 2020, no director has notified the Issuer of any situation that places him or her in a permanent conflict of interest with the Group. As of the date of this Base Prospectus, there were no conflicts of interest, or potential conflicts of interest, between any duties toward the Issuer of any of the members of the Board of Directors of the Issuer and their respective private interests and/or any other duties.

Management Committee

The following table identifies the members of the senior management (*Comité de Dirección*) of CaixaBank, which is composed of CaixaBank's CEO and the persons responsible for the different areas as of the date of this Base Prospectus:

Name	Post	Date of appointment (Management Committee)
		30-06-2011
Gonzalo Gortázar	CEO	
		30-06-2011
Juan Antonio Alcaraz	Head of Retail, Business and Private Banking	
		30-06-2011
Xavier Coll	Chief Human Resources Officer	
		10-07-2014
Jordi Mondéjar	Chief Risks Officer	
		22-11-2018
Iñaki Badiola	Head of CIB and International Banking	
		30-10-2019
Luis Javier Blas	Chief Operating Officer	
		28-11-2016
Matthias Bulach	Head of Accounting, Management Control and Capital	
		30-03-2021
Manuel Galarza	Head of Control and Compliance	
		27-05-2016
María Luisa Martínez	Head of Communications and Institutional Relations	
		24-10-2013
Javier Pano	Chief Financial Officer	
		22-11-2018
Marisa Retamosa	Head of Internal Audit	
		30-03-2021
Eugenio Solla	Chief Sustainability Officer	
		22-11-2018
Javier Valle	Head of Insurance	
		29-05-2014
Óscar Calderón	Board Secretary and General Council	

The table below sets out all entities in which the members of senior management are members of administrative, management or supervisory bodies or in which they hold partnership positions as of the date of this Base Prospectus, except (i) purely familiar or patrimonial companies, (ii) subsidiaries of an issuer in which they are also a member of the administrative, management or supervisory bodies and (iii) CaixaBank Group companies.

Name	Company	Title
Juan Antonio Alcaraz	SegurCaixa Adeslas, S.A. de Seguros y Reaseguras	Member of the Board
Matthias Bulach	Erste Group Bank AG	Member of the Supervisory Board and of the Audit Committee
Jordi Mondéjar	SAREB	Director
Javier Pano	CecaBank	Director and member of the Appointment Committee
Javier Valle	Unespa	Deputy Chairman/Member of the Executive Committee and the Board of Directors
	Icea	Director

The business address of each member of the Management Committee is Calle Pintor Sorolla, 2-4, 46002 Valencia, Spain.

As of the date of this Base Prospectus, there were no conflicts of interest, or potential conflicts of interest, between any duties toward the Issuer of any of the members of the Management Committee of the Issuer and their respective private interests and/or any other duties.

Litigation

The Group is party to certain legal proceedings arising from the normal course of its business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain. The Group provisions under the concept "Pending legal issues and tax litigation", which totalled EUR 332 million as of 31 December 2020 and EUR 394 million as of 31 December 2019, are considered reasonable to cover the obligations that may arise from ongoing lawsuits based on available information. In addition, the Group provisions under the concept "Other Provisions", which totalled EUR 468 million as of 31 December 2020 and EUR 497 million as of 31 December 2019, are maintained to cover, among others, the losses from agreements not formalised and other risks such as those related with the class action brought by ADICAE (the Association of Banking and Insurance Consumers, **ADICAE**) due to the application of floor clauses in certain mortgage loans as described below. Given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain.

Regarding Bankia, provisions maintained under "Pending procedural issues and tax litigation" to cover the risks of lawsuits and proceedings arising from the ordinary course of operations, along with other legal, regulatory and tax risks amounted to EUR 195.9 million as of 31 December 2020 (EUR 224.5 million as of 31 December 2019).

However, in view of the inherent difficulty in predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, the Group cannot state with confidence what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be. As such, the provisions made by the Group or the estimate for maximum risk could prove to be inadequate and may have to be increased to cover the impact of the

different proceedings or to cover additional liabilities, which could lead to higher costs for the Group. This could have a material adverse effect on the Group's results and financial situation.

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead, based on the best information available at any given time, to raise the appropriate provisions to cover such risks.

In the case of disputes under general conditions, generally linked to the granting of mortgage loans to consumers (e.g. Floor clauses, mortgage expenses, advance maturity, etc.), the necessary provisions are held by the Group. In the same way, CaixaBank has adapted its provisions to the risk of ongoing actions arising from claims for the amounts of payments on account for the purchase of off-plan housing, banking, financial and investment products, excessive and abnormal price of interest rates (see specific section below), right to honor or statements of subsidiary civil liability arising from possible conduct of persons with employment links.

Lastly, a criterion of prudence is adopted for constituting provisions for possible punishable administrative procedures, for which hedging is allocated in accordance with the economic criteria that may be laid down by the specific administration regarding the procedure.

The content of the main sections of this heading is set out below. The expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

Floor clauses in mortgages

The legal proceeding initiated by the class action brought by ADICAE due to the application of floor clauses in certain mortgage loans is currently in the phase of Reversal and Procedural Infringement before the Spanish Supreme Court.

The risk associated with this matter has been managed with specific provisions amounting to EUR 625 million, and a team and specific procedures were developed to comply with the requests filed under the framework of Royal Decree-Law 1/2017, of 20 January, on urgent measures to protect consumers against floor clauses.

The disbursements accumulated in 2019 and associated with this procedure reached EUR 102 million and there have not been significant disbursements associated to this procedure in 2020.

With the available information, the risk derived from the disbursements that could arise due to these litigation proceedings is reasonably covered by the corresponding provisions.

Regarding Bankia, as of 31 December 2020, there were 4,411 legal proceedings (individual actions) seeking the invalidity of floor clauses underway in addition to the class action brought by ADICAE mentioned above.

Ongoing criminal investigation of certain corporate transactions

As a result of a private prosecution, a set of corporate transactions in 2015 and 2016, together with an asset transaction, as alleged by the referred prosecution, are under investigation, the latter however being non-existent (since it was never granted and therefore never executed). Without prejudice to the reputational damage resulting from any judicial investigation, it is not considered as probable that an economic risk linked to this criminal proceeding would materialise or cause a negative effect.

Transparency of IRPH interest rate clauses

In relation to the official benchmark rate for mortgage loans in Spain called IRPH (*Índice de Referencia de Préstamos Hipotecarios*), the judgment issued by the Court of Justice of the European Union (CJEU) on 3 March 2020, and the set of judgments issued by the First Chamber of the Spanish High Court on 6 November

2020 and on 12 November 2020 have provided clarity and guidance in the context of claims questioning lack of transparency in the marketing of mortgage loans indexed to the IRPH rate.

The chief legal conclusion of the current judicial framework, notwithstanding any eventual change to come, is that mortgage loans indexed to the IRPH rate are valid.

In those mortgage loans indexed to the IRPH rate in the context of public agreements for facilitating access to social housing, the Spanish High Court determined the existence of transparency based on, among others: (i) the essential information relating to the calculation of the IRPH rate contained in the agreement was easily accessible, (ii) the IRPH rate is an official benchmark rate included in the Bank of Spain's Transparency Circular and subject to specific regulation, (iii) the relevant clause expressly referred to this regulation and to the relevant public agreements and (iv) both the regulation and the public agreements are publicly available since they are published in the Spanish Official State Gazette (BOE).

In cases not covered by the abovementioned scenario, pre-contractual and contractual information provided to consumers of mortgage loans indexed to the IRPH rate should be examined on a case-by-case basis, in order to determine whether there is lack of transparency, since there are no assessed means of testing material transparency. Most importantly, any determination of lack of transparency requires the Spanish High Court – according to the legal principle established on by the CJEU – to determine the existence of abuse (due to bad faith and major imbalance). In the opinion of the Spanish High Court, there is no imbalanced situation at the time of subscribing the relevant agreement since the subsequent evolution is irrelevant at such time, and good faith is not infringed when offering an official rate included among those to be used in mortgage lending transactions as indicated by the Bank of Spain since the end of 1993. Moreover, some regulatory provisions had determined that the reference rate for financing the purchase of social housing was the IRPH rate. Additionally, it should be noted that the hypothetical substitution of the IRPH reference rate by the “IRPH Entidades” reference rate, as “supplementary legal index” expressly quoted by the CJEU in case of abuse and where no substitutive reference rate had been previously agreed by the parties, would not make any significant difference.

Notwithstanding the foregoing, the Court of First Instance No. 38 of Barcelona has formulated a new request for preliminary rulings with the CJEU, following its judgment of 3 March 2020 in Case C-125/18, which will be subject to specific monitoring by the Group.

As of 31 December 2020, the total amount of mortgages up to date with payments indexed to the IRPH rate subscribed by individuals is approximately EUR 5,328 million (the majority of which are consumers) and the Group does not hold provisions for this item considering the current legal basis and the legal reasoning followed in the case law and in accordance with the current best available information.

Regarding Bankia, as of 31 December 2020, prevailing mortgage loans with individuals, up to date with payments including a contractual term linked to the IRPH rate agreed by the consumer and the entity, amounted to approximately EUR 1,100 million (EUR 1,300 million at 31 December 2019). Additionally, up to date payments amounting to approximately EUR 1,350 million as of 31 December 2020 (EUR 1,600 million at 31 December 2019) were referred to loan portfolios relating to housing and land financing where the determination of the IRPH rate as reference rate had not been agreed by the consumer and the entity, but rather resulted from applicable provisions when the relevant agreement was subscribed, such as savings plans for social housing. At 31 December 2020, 445 lawsuits were underway with no significant related economic risk.

Anti-money laundering investigation

In April 2018, the Anti-Corruption Prosecutor's Office started legal proceedings against CaixaBank, the Entity's former head of Regulatory Compliance and 11 employees, for events that could be deemed to constitute a money laundering offence, primarily due to the activity carried out in 10 branches of CaixaBank by alleged members of certain organisations formed of Chinese nationals, who allegedly conducted fraud against the Spanish Treasury between 2011 and 2015. The procedure is currently in its investigation phase and

neither CaixaBank nor its legal advisers consider the risk associated with these criminal proceedings as being likely to arise. Moreover, the Court has already dismissed the proceedings in relation with two employees. The potential impact of these events is not currently considered material, although CaixaBank is exposed to reputational risk due to these ongoing proceedings.

Spanish High Court ruling regarding interest rates in revolving and/or deferred-payment credit cards

The Spanish High Court issued a ruling with specific relevance to credit agreements relating to revolving and/or deferred payments credit cards. The ruling determines (i) that credit cards as form of credit cards as a form of revolving credit are a specific segment within the credit facilities, (ii) that the Bank of Spain publishes a specific benchmark interest rate for this product in its official statistics gazette (Boletín Estadístico), which is the one that must be used as a reference to determine which is the “normal interest rate”, (iii) that the average interest rate applicable to credit card and revolving credit transactions as published in the official statistics of the Bank of Spain was slightly higher than 20% and (iv) interest rate like the one analysed in the case studied by the Spanish Supreme Court (that is, between 26.82% and 27.24%) is “significantly disproportionate”, which entails that the relevant contract shall be considered null and void and the relevant interest paid by the consumer shall be refunded. Unlike the preceding court ruling in this matter, which applied the supra duplum rule to determine when the interest rate shall be considered disproportionate (i.e. when exceeding twice the average ordinary interest rate), this new ruling does not provide specific criteria or accuracy which may allow entities to establish with legal certainty which level or gap from the “normal interest of money” can lead to the relevant agreement being considered null and void. This circumstance will probably lead to an increase in litigation and diverse judicial positions the impact of which cannot be determined at this time and which will be specifically followed up and specifically managed.

Furthermore, CaixaBank and its card-issuing subsidiary, CaixaBank Payments and Consumer, received a class action formulated by an association of consumers and users (ASUFIN) which was partially dismissed by the Commercial Court No. 4 of Valencia on 30 December 2020: the procedure was limited to an action of eventual cessation of general conditions and the possibility of claiming refunds of amounts requested by ASUFIN was rejected. Subsequently, the ruling fully dismissed the claim against CaixaBank and only requested CaixaBank Payments and Consumer to discontinue the advance maturity clause, disregarding the rest of requests (related to lack of transparency in the credit card transactions, interest calculation methods, right to compensation for debt and amendment of conditions of agreements of indefinite duration). The ruling has not yet become final.

Provisions maintained by the Group as of 31 December 2020 under the concept "Other Provisions" include an estimate based on current best available information of current obligations that may arise from judicial proceedings relating to revolving and/or deferred-payment cards, the occurrence of which is deemed to be likely.

Regarding Bankia, as of 31 December 2020, there were 107 ongoing procedures relating to revolving credit cards, with no significant related economic risk.

Notwithstanding the foregoing, any disbursements that may ultimately be necessary will depend on the specific terms of the judgments which the Group must face, and/or the number of claims that are brought, among others. Given nature of these obligations, the expected timing of the outflow of financial resources, in the event they are produced, is uncertain, and, in accordance with the best available information today, the Group also deems that any responsibility arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or the results of its operations.

Procedures of the Portuguese Resolution Fund (PRF)

On 3 August 2014, the Bank of Portugal applied a resolution procedure to Banco Espírito Santo, SA (BES) through the transfer of its net assets and under the management of Novo Banco, SA (**Novo Banco**). Within the framework of this procedure, the PRF completed a capital increase in Novo Banco for an amount of EUR 4,900 million, becoming the sole shareholder. The increase was financed through loans to the PRF for an

amount of EUR 4,600 million, EUR 3,900 million of which was granted by the Portuguese State and EUR 700 million granted by a banking syndicate through the Portuguese financial institutions, including BPI with EUR 116 million.

On 19 December 2015, the Bank of Portugal initiated a procedure to put Banco Internacional do Funchal (Banif) into resolution, which came to a head with (i) the partial sale of its assets for EUR 150 million to Banco Santander Totta, S.A.; and (ii) the contribution of the rest of its assets that were not sold to Oitante, SA. The resolution was financed through the issuance of EUR 746 million of debt, guaranteed by the PRF and the Portuguese State as a counter-guarantee. The operation also included the ultimate guarantee of the Portuguese State amounting to EUR 2,255 million intended to cover future contingencies.

For the reimbursement of the PRF obligations with the Portuguese State (in the form of loans and guarantees) in relation to resolution measures adopted, the PRF has contributed ordinary instruments through the various contributions of the banking sector. Along these lines, the conditions of the loans with the PRF have been amended to bring them in line with the collection of the aforementioned contributions; there is no foreseen need to turn to additional contributions from the banking sector.

In 2017, the Bank of Portugal chose Lone Star to conclude the sale of Novo Banco, after which the PRF would hold 25% of the share capital and certain contingent capital mechanisms would be established by the shareholders. To cover the contingent risk, the PRF has the financial means of the Portuguese State, the reimbursement of which – where applicable – would have repercussions on the contributory efforts of the banking sector.

At this time, it is not possible to estimate the possible effects for the Resolution Funds deriving from: (i) the sale of the shareholding in Novo Bank; (ii) the application of the principle that none of the creditors of a credit institution under resolution may assume a loss greater than that which it would have assumed if that entity had gone into liquidation; (iii) the guarantee granted to the bonds issued by Oitante and (iv) other liabilities that – it is concluded – must be assumed by PRF.

Notwithstanding the possibility considered in the applicable law for the collection of special contributions, given the renegotiation of the terms of the loans granted to the PRF, which include BPI, and the public statement made by the PRF and the Office of the Minister of Finance of Portugal, declaring that this possibility will not be used, the consolidated financial statements of 2020 reflect the expectation of the Administrators that the Bank will not have to make special contributions or any other type of extraordinary contributions to finance the resolution measures applied to BES and Banif or any other contingent liability or liabilities assumed by the PRF.

Any change in this regard may have material implications for the financial statements of the Group.

Litigation relating to Bankia

Regarding Bankia, information on litigation as of 31 December 2020 is contained in the 2020 Bankia Consolidated Financial Statements incorporated by reference to this Base Prospectus, including, among others, proceedings linked to the granting of mortgage loans to consumers (floor clauses, mortgage expenses, IRPH interest rate clauses), claims requesting the nullification of derivative agreements, proceedings filed in accordance with Law 57/1968 (regarding payments received prior to the construction and sale of property), proceedings arising from claims of excessive and abnormal price of interest rates, subsidiary civil liability arising from alleged misconduct of certain individuals and criminal and civil procedures related to Bankia's shares initial public offering.

The following procedures, considered as particularly relevant, are described below:

IPO litigation

Certain criminal and civil proceedings were taken against Bankia regarding the sale of shares in the context of its initial public offering (IPO) in July 2011.

Regarding civil procedures, on 27 January 2016 Bankia was notified by the Spanish Supreme Court of two judgments in favour of retail investors who subscribed for Bankia's shares in the context of its IPO. On 17 February 2016, Bankia announced the settlement of claims of retail investors, in exchange for the return of their shares.

However, claims against Bankia were also filed by institutional investors. Regarding claims filed by institutional investors who had acquired the shares in the primary market, as of 31 December 2020, 24 first instance rulings were issued in favour of Bankia and 60 against it. In the case of second instance rulings, as of 31 December 2020, 14 had been issued in favour of Bankia and 31 against it. Moreover, 21 appeals in cassation have been filed (9 thereof against rulings issued in favour of Bankia and 12 were filed by Bankia against rulings issued in favour of investors, one of them being rejected).

A preliminary ruling has been requested from the CJEU (pre-judgement C-910-19) in relation to a particular institutional investor. The conclusions from the Advocate General at the CJEU have been issued and the procedure is awaiting the final court decision.

Both Bankia's IPO and its 2011 financial statements were investigated in Preliminary Proceedings no. 59/2012 (currently Abbreviated Proceedings 1/2018) by the Central Examining Court No. 4 of the National High Court. These proceedings were instituted by Unión Progreso y Democracia ("UPyD"), among others, against Bankia, BFA Tenedora de Acciones S.A.U. (**BFA**) and their respective management bodies, accusing them of (i) fraud; (ii) misappropriation; (iii) falsification of financial statements; (iv) breach of trust, and (v) price rigging.

On 17 November 2017, the Central Examining Court No. 4 of the National High Court ordered the commencement of the trial, opening the oral trial phase for the crimes of falsification of financial statements (article 290 of the Spanish Criminal Code) and investor fraud (article 282 bis of the Spanish Criminal Code) against certain former directors and current and former executives of Bankia and BFA, the external auditor at the time of the IPO, and against BFA and Bankia as legal persons. The trial phase began on 26 November 2018 and was submitted for decision on 5 October 2019. On 29 September 2020 the National High Court delivered a judgment whereby it unanimously acquitted all the defendants. Two private accusations have filed a cassation appeal.

Banco de Valencia

In 2012 a claim (*querella*) was brought by Asociación de Pequeños Accionistas del Banco de Valencia "Apabankval" against the members of the Board of Directors of Banco de Valencia and the external auditors, in respect of accusations of corporate crimes. On 13 December 2017, an indictment was issued for including BFA as subsidiary civil liable. The risk of this proceeding cannot be quantified yet. The reasons surrounding the current uncertainty include the lack of universal succession of Bankia in the liabilities eventually accrued by Bancaja, the dual capacity of CaixaBank as both, full legal successor of Banco de Valencia, as injured party and beneficiary for economic compensations to be determined in a future trial, yet to be calculated, and full legal successor of Bankia, as eventually liable for certain compensations to be paid, that still remain uncertain and uncalculated.

On 6 June 2016, the Central Court of Instruction No. 1 of the National High Court admitted the addition to the existing preliminary proceedings of a claim submitted by certain shareholders of Banco de Valencia against certain members of its board of directors, the external auditors and Bankia for the corporate crime of falsification of accounting documents set forth under Article 290 of the Spanish Criminal Code.

On 7 November 2016, the Central Court of Instruction No. 1 of the National High Court issued a ruling rejecting the appeal for amendment filed by Bankia on 26 July 2016. On 17 November 2016, Bankia filed an appeal against such ruling before the National Court. On 13 March 2017, the National High Court issued a decree confirming that: (i) Bankia could not be held responsible for the criminal acts it was being accused of; and (ii) Bankia bore only subsidiary civil liability (*responsabilidad civil subsidiaria*) for such criminal acts (i.e. only in the event that the one being directly liable for the crime would not be able to pay).

On 2 December 2019, the Central Court issued a transformation order agreeing to continue the preliminary proceedings by means of an abbreviated procedure for the alleged participation in a continued corporate crime of falsification of accounting documents of Banco de Valencia for the 2009-2010 financial years, provided under Article 290.1 and Article 74 of the Spanish Criminal Code, against the members of the Board of Directors of Banco de Valencia and against other companies as subsidiary civil liable (*responsable civil subsidiario*), including BFA, Bankia, Bankia Habitat and Valenciana de Inversiones Mobiliarias. These companies have filed appeals for reconsideration with the same Central Examining Court and, subsidiarily, with the Criminal Chamber of the National High Court or directly on appeal. Following a ruling delivered on 12 June 2020 dismissing the appeals for amendment filed by the defence, Bankia filed an appeal with the Criminal Chamber of the National High Court.

The court has recently declared CaixaBank as subsidiary civil liable resulting from the merger of Bankia (absorbed company) into CaixaBank (absorbing company), while CaixaBank is still injured party and potential beneficiary of economic compensations to be determined in the trial.

Credit ratings

As at the date of this Base Prospectus, the Issuer has been assigned the following debt ratings by the following credit rating agencies:

Agency	Review date	Short-term rating	Long-term rating	Outlook
Fitch	29 September 2020	F2	BBB+	Negative
S&P Global	22 April 2021	A-2	BBB+	Stable
DBRS	29 March 2021	R-1 (low)	A	Stable
Moody's	22 September 2020	P-2	Baa1	Stable

Alternative Performance Measures

This Base Prospectus (and the documents incorporated by reference in this Base Prospectus) contains certain management measures of performance or alternative performance measures (**APMs**), which are used by management to evaluate the Group's overall performance or liquidity. These APMs are not audited, reviewed or subject to review by CaixaBank's auditors and are not measures required by, or presented in accordance with, the IFRS-EU. Accordingly, these APMs should not be considered as alternatives to any performance or liquidity measures prepared in accordance with IFRS-EU. Many of these APMs are based on CaixaBank's internal estimates, assumptions, calculations and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by CaixaBank, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of the Group's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU and investors are advised to review these APMs in conjunction with the 2020 Consolidated Financial Statements, the 2019 Consolidated Financial Statements, the 2020 Bankia Consolidated Financial Statements and the 2019 Bankia Consolidated Financial Statements incorporated by reference in this Base Prospectus.

CaixaBank believes that the description of these APMs in this Base Prospectus follows and complies with the "ESMA Guidelines on Alternative Performance Measures" dated 5 October 2015. In accordance with these guidelines, the CaixaBank Group Management Report for 2020, the CaixaBank Group Management Report for 2019, the Bankia Management Report for 2020 and the Bankia Management Report for 2019 contain a list of the APMs used, along with a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS-EU.

These measures are used in the Issuer's planning, operational and financial decision-making. These measures are commonly used in the finance sector as indicators to monitor institutions' assets, liabilities and economic/financial positions.

CAPITAL AND ELIGIBLE LIABILITIES REQUIREMENTS

The following is a summary of the most relevant aspects of the regulatory framework applicable to the Group relating to regulatory capital requirements and to the minimum level of capital and eligible liabilities (**MREL**). In addition, see "*Risk Factors*" which includes the relevant information on regulatory liquidity and funding requirements.

The CaixaBank Group is subject to capital requirements according to 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 and amending Regulation (EU) No. 648/2012 (as amended) (**CRR**), to 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended) (the **CRD 4 Directive**), to any regulatory capital rules implementing the CRD 4 Directive or the CRR which may from time to time be introduced and which are applicable to CaixaBank or to the Group (including, without limitation, Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit entities (as amended) (**Law 10/2014**), Royal Decree 84/2015, of 13 February, implementing Law 10/2014) (as amended) (**Royal Decree 84/2015**)) (all of them together, **CRD 4**), and to any other regulations, regulatory technical standards, circulars or guidelines implementing CRD 4, through which the EU is implementing the Basel III capital reforms.

In addition to the minimum capital requirements under CRD 4, CaixaBank is also subject to the regime under Directive 2014/59/EU of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms (as amended), and to any other recovery and resolution rules developing, complementing or implementing this Directive which are applicable to CaixaBank or to the Group (including, without limitation, Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment firms (as amended) (**Law 11/2015**) and Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (as amended) (**RD 1012/2015**)) (all of them referred together as the **BRRD**), and to other regulations or policies through which the EU is implementing the recovery and resolution framework. This framework prescribes that banks shall hold a minimum level of capital and eligible liabilities in relation to total liabilities and own funds.

On 27 June 2019, a comprehensive package of reforms amending CRR, CRD 4 Directive, European Bank Recovery and Resolution Directive (Directive 2014/59/EU) (**BRRD**) and Regulation (EU) No 1093/2010 (the **SRM Regulation**) came into force: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD 4 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (**CRD 5**); (ii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (**BRRD 2**); (iii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 (**CRR 2**); and (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (**SRMR 2**, and, together with CRD 5, BRRD 2 and CRR 2, the **EU Banking Reforms**). However, most of the provisions of CRR 2 are not applicable until 28 June 2021 and CRD 5 and BRRD 2 have not yet been transposed into Spanish law so it is uncertain how they will affect the Group. In addition, there is also uncertainty as to how the EU Banking Reforms will be implemented and applied by the relevant authorities²⁶.

²⁶

In July 2020 the Spanish Ministry of Economic Affairs and Digital Transformation published draft bills for the implementation of CRD 5 and BRRD 2 in Spain but it is uncertain when they will be adopted and in which terms.

The package of reforms presented by the European Commission on 23 November 2016 included a proposal to create a new asset class of "non-preferred" senior debt. On 27 December 2017, Directive 2017/2399 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy was published in the Official Journal of the European Union. Before that, Royal Decree-Law 11/2017, of 23 June, approving urgent measures on financial matters created in Spain the new asset class of senior non-preferred debt.

As further explained below, CRR and CRR 2 were modified by Regulation 2020/873 of the European Parliament and of the Council of 24 June amending CRR and CRR2 regarding certain temporarily or permanent adjustments in response to the COVID-19 pandemic (**CRR 2.5** or "Quick fix"), applicable from 27 June 2020.

Overview of applicable capital requirements

Under CRD 4, institutions are required, generally on an individual and consolidated basis, to hold a minimum amount of regulatory capital of 8% of RWAs of which at least 4.5% must be CET1 capital and at least 6% must be Tier 1 capital (together, the **Minimum "Pillar 1" Capital Requirements**).

Moreover, Article 104 of CRD 4 Directive, as implemented in Spain by Article 68 of Law 10/2014, and similarly Article 16 of Council Regulation (EU) No 1024/2013, of 15 October 2013, conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the **SSM Regulation**), also contemplates that in addition to the Minimum "Pillar 1" Capital Requirements, the supervisory authorities may require further capital to cover other risks. This may result in the imposition of further CET1, Tier 1 and Total Capital requirements on the Issuer and/or the Group pursuant to this "Pillar 2" framework. Following the introduction of the single supervisory mechanism (the **SSM**), the ECB is in charge of assessing additional "Pillar 2" capital requirements (**P2R**) through the supervisory review and evaluation processes (**SREP**) to be carried out at least on an annual basis (accordingly requirements may change from year to year).

In addition to the Minimum "Pillar 1" Capital Requirements and the P2R, credit institutions must comply with the "combined buffer requirement" set out in the CRD 4 Directive as implemented in Spain. The "combined buffer requirement" has introduced up to five new capital buffers to be satisfied with additional CET1 capital: (i) the capital conservation buffer of 2.5% of RWAs; (ii) the global systemically important institutions (G-SIIs) buffer, of between 1% and 3.5% of RWAs; (iii) the institution-specific counter-cyclical capital buffer (consisting of the weighted average of the counter-cyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located), which may be as much as 2.5% of RWAs (or higher pursuant to the competent authority); (iv) the O-SIIs buffer, which may be as much as 3% of RWAs (or higher if required by the competent authority)²⁷; and (v) the systemic risk buffer to prevent systemic or macro prudential risks, of at least 1% of RWAs (to be set by the relevant competent authority), CRD 5 establishes that the systemic risk buffer must be cumulative to the O-SII buffer.

As set out in the "Opinion of the European Banking Authority on the interaction of "Pillar 1", "Pillar 2" and combined buffer requirements and restrictions on distributions" published on 16 December 2015, competent authorities should ensure that the CET1 capital to be taken into account in determining the CET1 capital available to meet the "combined buffer requirement" for the purposes of the Maximum Distributable Amount (as defined below) calculation is limited to the amount not used to meet the Minimum "Pillar 1" Capital Requirements and the P2R of the institution. Accordingly, the "combined buffer requirement" is in addition to the Minimum "Pillar 1" Capital Requirements and to the P2R, and therefore it would be the first layer of capital to be eroded pursuant to the applicable stacking order.

CRD 5 clarifies that P2R should be positioned in the relevant stacking order of own funds requirements above the Minimum "Pillar 1" Capital Requirements and below the combined buffer requirement or the leverage ratio

²⁷ According to the CRD 5.

buffer requirement²⁸, as relevant. In addition, CRD 5 also clarifies that P2R should be set in relation to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those reflecting the impact of certain economic and market developments on the risk profile of an individual institution) and it also allows the P2R to be partially covered with Tier 1 and Tier 2 instruments.

According to Article 48 of Law 10/2014, Article 73 of Royal Decree 84/2015 and Rule 24 of Bank of Spain Circular 2/2016, those entities failing to meet the “combined buffer requirement” or making a distribution in connection with CET1 capital to an extent that would decrease its CET1 capital to a level where the “combined buffer requirement” is no longer met will be subject to restrictions on (i) distributions relating to CET1 capital, (ii) payments in respect of variable remuneration or discretionary pension revenues and (iii) distributions relating to Additional Tier 1 instruments, until the maximum distributable amount calculated according to CRD 4 (the **Maximum Distributable Amount**) has been calculated and communicated to the competent supervisor. Thereafter, any such distributions or payments will be subject to such Maximum Distributable Amount for entities (a) not meeting the “combined buffer requirement” or (b) in relation to which the Bank of Spain has adopted any of the measures set forth in Article 68.2 of Law 10/2014 aimed at strengthening own funds or limiting or prohibiting the distribution of dividends.

As communicated by the EBA on 1 July 2016 and included in the CRD 5, in addition to the Minimum “Pillar 1” Capital Requirements, the P2R and the “combined buffer requirements”, the supervisor can also set a “Pillar 2” capital guidance (**P2G**). While P2R are binding requirements and breaches can have direct legal consequences for the banks, P2G is not directly binding and a failure to meet it does not automatically trigger legal action, even though the ECB expects banks to meet P2G. Following this clarification, the clarifications contained in the “EBA Pillar 2 Roadmap” (April 2017) and the guidelines on the revised common procedures and methodologies for the SREP and supervisor stress testing published by the EBA on 19 July 2018, banks are expected to meet the P2G with CET1 capital on top of the level of binding capital requirements (“Pillar 1” capital requirements, P2R and the “combined buffer requirements”). Under the EU Banking Reforms, the P2G is not relevant for the purposes of triggering the automatic restriction of the distribution and calculation of the Maximum Distributable Amount, but CRD 5 provides that when an institution repeatedly fails to meet the P2G, the competent authority should be entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements. The ECB recommends not to disclose the P2G and the CRD 5 Directive also does not require its disclosure.

In reaction to the COVID-19 outbreak, on 12 March 2020 the ECB announced measures expected to provide capital relief to banks in support of the economy. These measures include the permission to (i) operate temporarily below the level of capital defined by P2G, the “capital conservation buffer” and the LCR and (ii) use capital instruments that do not qualify as CET1 (for example Additional Tier 1 instruments and Tier 2 instruments) to meet P2R²⁹.

In addition to statements on using flexibility within accounting and prudential rules, such as those made by the Basel Committee of Banking Supervision, the EBA and the ECB, amongst others, the European Commission proposed a few targeted “Quick fix” amendments to the EU's banking prudential rules in order to maximise the ability of banks to lend and absorb losses related to COVID-19. Since 27 June 2020, CRR 2.5 is applicable. It sets out exceptional temporary measures to alleviate the immediate impact of COVID-19-related developments, by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favourably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer³⁰, by modifying the way of excluding certain exposures from the calculation of the leverage ratio, by setting a temporary prudential filter to mitigate the considerable negative

²⁸ It applies to G-SII entities. CaixaBank is as of the date hereof an O-SII bank. Therefore, the leverage ratio buffer is not applicable to the CaixaBank Group.

²⁹ The CRD 5 establishes that P2R can be partially covered by AT1 instruments and Tier 2 instruments, at least 56.25% must be covered with CET1, 18.75% with AT1 and 25% with Tier 2. Before CRD 5, and prior to their decision on 12 March 2020 related to the COVID-19 pandemic, the ECB required P2R to be covered with CET1 in its entirety.

³⁰ CaixaBank is as of the date hereof an O-SII bank. Therefore, the leverage ratio buffer is not applicable to the CaixaBank Group.

impact of the volatility in central government debt markets during the COVID-19 pandemic on institutions, by advancing the date of application of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects and by aligning the minimum coverage requirements for NPLs that benefit from public guarantees with those that benefit from guarantees granted by official export credit agencies. As at the date hereof, CaixaBank has not availed of the optional measures for treatment of the leverage ratio or the prudential filter of public debt.

In addition to the above, Article 429 of the CRR requires institutions to calculate their leverage ratio (**LR**) in accordance with the methodology laid down in that article. The EU Banking Reforms contain a binding 3% Tier 1 LR requirement that has been added to the own funds requirements in Article 92 of the CRR, and which institutions must meet in addition to their risk-based requirements. This LR requirement is a parallel requirement to the risk-based own funds requirements described above. Thus, any additional own funds requirements imposed by competent authorities to address the risk of excessive leverage should be added to the minimum leverage ratio requirement and not to the minimum risk-based own funds requirement. Institutions should also be able to use any CET 1 instruments that they use to meet their leverage-related requirements to meet their risk-based own funds requirements, including the combined buffer requirement.

Further to the minimum capital requirements under CRD 4, the BRRD regime prescribes that banks shall hold a minimum level of capital and eligible liabilities. The MREL shall be calculated as the amount of own funds and eligible liabilities and expressed as a percentage of the total liabilities and own funds of the institution (pursuant to BRRD 2, it shall be expressed as a percentage of the total risk exposure amount and the total exposure measure of the institution, calculated in each case in accordance with CRR). The level of capital and eligible liabilities required under MREL is set by the resolution authority for each bank (and/or group) based on the resolution plan and other criteria. The SRB is the resolution authority for the Bank as the central body of the single resolution mechanism (**SRM**), as well as the Bank of Spain, as the national preventive resolution authority and the *Fondo de Reestructuración Ordenada Bancaria* (**FROB**), as the Spanish executive resolution authority. Eligible liabilities may be senior or subordinated liabilities, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The EU Banking Reforms further include, as part of MREL, a new subordination requirement of eligible instruments for G-SIIs and “top tier” banks (such as the Bank) involving a minimum “Pillar 1” subordination requirement and any additional institution specific subordination requirement set by the resolution authority. This “Pillar 1” subordination requirement shall be satisfied with own funds and other eligible MREL instruments, which may not for these purposes be senior debt instruments (only MREL instruments constituting “non-preferred” senior debt under the new insolvency hierarchy introduced into Spain will be senior debt eligible for compliance with the subordination requirement as other eligible MREL instruments). For G-SIIs, “top tier” banks (such as the Bank) and other systemic entities, the resolution authority requires a subordination level equal to 8% of total liabilities and own funds (**TLOF**). For “top tier” banks the 8% TLOF target level is capped at 27% of RWAs.

Furthermore, a new Article 16.a) of the BRRD, as recently amended by BRRD 2, better clarifies the stacking order between the “combined buffer requirement” and the MREL requirement. Pursuant to this new provision, a resolution authority will have the power to prohibit an entity from distributing more than the “maximum distributable amount” for own funds and eligible liabilities (calculated in accordance with the new Article 16.a)(4) of the BRRD) (the **MREL-Maximum Distributable Amount Provision**) through distribution of dividends, variable remuneration and payments to holders of Additional Tier 1 instruments, where it meets the “combined buffer requirement” in addition to its own funds requirements (referred to in points (a), (b), and (c) of Article 141a(1) of CRD) but fails to meet its “combined buffer requirement” when considered in addition to the MREL requirements. The referred Article 16.a) of the BRRD includes a potential nine-month grace period whereby the resolution authority will assess on a monthly basis whether to exercise its powers under the MREL-Maximum Distributable Amount Provision before such resolution authority is compelled to exercise its power under the provisions (subject to certain limited exceptions).

Capital and Eligible Liabilities Requirements of the Bank

Capital requirements are applied to CaixaBank, on both an individual and consolidated basis, and also to Banco BPI on both an individual and sub-consolidated basis.

Although the merger with Bankia has already been executed and is effective, no information on the regulatory own funds or eligible liabilities position and requirements of CaixaBank and the Group resulting from the merger with Bankia is available, the information disclosed below is the CaixaBank and the Group information on their own funds and eligible liabilities position and requirements prior to the merger with Bankia³¹.

Neither the Bank nor the Group has been classified as G-SII by the Financial Stability Board (FSB) nor by any competent authority so, unless otherwise indicated by the FSB or by the Bank of Spain in the future, it is not required to maintain the G-SII buffer. The Bank is considered an O-SII and during 2021 it will be required to maintain a full O-SII buffer of 0.25%. In addition, the Bank of Spain agreed to maintain the countercyclical capital buffer applicable to credit exposures in Spain at 0% for the second quarter of 2021 (percentages will be revised each quarter), and also in March 2021, the Bank of Portugal published that the countercyclical buffer for credit exposures in Portugal was to be maintained at 0% for the second quarter of 2021, but a 0.01% countercyclical capital buffer applied both on a consolidated and an individual basis in December 2020, based on the geographical composition of the portfolio of the Group for credit exposures other than in Spain and Portugal (to be updated quarterly) (this buffer may not be the same on consolidated and on individual basis in the future).

Based on the assessment of the systemic importance of the Bank as mentioned above and following the outcome of the Pragmatic Approach in relation to the Supervisory Review and Evaluation Process (SREP), on 17 November 2020 the Bank was informed of the minimum capital requirements for 2021 for the Group. These communications require the Group to maintain a CET1 ratio of 8.10% over the total amount of RWAs, which includes the Minimum "Pillar 1" Capital Requirement (4.50% of RWAs), the P2R³² (1.50% of RWAs to be covered at least 56.25% by CET1³³), the capital conservation buffer (2.5% of RWAs), the O-SII buffer (0.25% of RWAs)³⁴ and the countercyclical capital buffer³⁵ (0.01% of RWAs based on the geographical composition of the portfolio at 30 December 2020 (updated quarterly)). The minimum Tier 1 and Total Capital ratios would consequently reach 9.88% of RWAs and 12.26% of RWAs, respectively, based on the 6% of RWAs and 8% of RWAs Minimum "Pillar 1" Capital Requirements at a Tier 1 and Total Capital level, and 1.13% and 1.5% of P2R requirement, respectively.

The following tables show the solvency requirements compared to the capital position of the Group on a consolidated basis as of 31 December 2020:

³¹ Historical information of CaixaBank and of Bankia on their regulatory own funds and eligible liabilities position and requirements either contained in this Base Prospectus or publicly available may not reflect what that position and requirements of CaixaBank and the Group resulting from the merger would have been had the merger been effective during the periods presented.

³² It does not apply at an individual level.

³³ On 12 March 2020 the ECB announced measures expected to provide capital relief to banks in support of the economy. These measures include the permission to use capital instruments that do not qualify as CET1 (for example Additional Tier 1 instruments and Tier 2 instruments) to meet P2R. The CRD 5 establishes that P2R can be partially covered by AT1 instruments and Tier 2 instruments, at least 56.25% must be covered with CET1, 18.75% with AT1 and 25% with Tier 2. Before CRD 5, and prior to their decision on 12 March 2020 related to the COVID-19 pandemic, the ECB required P2R to be covered with CET1 in its entirety. P2R does not apply at an individual level.

³⁴ It does not apply at an individual level.

³⁵ As of 31 December 2020. It applies to both individual and consolidated basis. Updated quarterly. It may differ between individual and consolidated level. As of 31 December 2020 both levels coincide.

Capital position					
	31 December 2020	Requirements³⁶	of which Pillar 1	of which Pillar 2R	of which buffers
CET1	13.64%	8.10%	4.5%	0.84%	2.76%
Tier 1	15.71%	9.88%	6.0%	1.13%	2.76%
Total Capital	18.08%	12.26%	8.0%	1.50%	2.76%

As a result of these communications, the CET1 threshold below which the CaixaBank Group would be forced to limit the 2021 distributions in the form of dividend payments, variable remuneration and interests to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.10%, to which potential shortfalls of AT1 or Tier 2 should be added with respect to the minimum implicit “Pillar 1” and P2R of 1.78% and 2.38% respectively.

Taking into account the merger with Bankia, the combined CET1 ratio proforma on 31 December 2020 would be set at 13.9%, which provides an ample buffer to absorb expected merger and regulatory impacts.

At an individual level, as of 31 December 2020 CaixaBank’s CET1 reached 15.1% compared to a minimum requirement of 7.01% for 2020 (including 0.01% of countercyclical buffer to be updated quarterly). The capital requirements are more restrictive at a consolidated level compared to an individual level.

The LR at a consolidated level stood at 5.6% of the regulatory exposure on 31 December 2020.

On 28 December 2020, CaixaBank received the formal communication from the Bank of Spain regarding the MREL requirement based on the BRRD 2. As set out in the notification, CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 20.19% of RWA, which would equate to 22.95% when including the Combined Buffer Requirements (**CBR**)³⁷. As for the intermediate requirement, the SRB has decided that, by 1 January 2022, CaixaBank must comply with a Total MREL requirement of 19.33% of RWA, which would be equal to 22.09% when including the CBR.

Furthermore, CaixaBank, on a consolidated basis, must comply by 1 January 2022 with a Total MREL requirement of 6.09% of the Leverage Ratio Exposure (LRE).

With regard to the requirement for a minimum amount of own funds and subordinated eligible liabilities (the **Subordinated MREL Requirement**), the SRB has decided that CaixaBank, on a consolidated basis, must comply from 1 January 2022 with a Subordinated MREL requirement of 13.50% of RWA, which would equal to 16.26% including the CBR, in addition to a Subordinated MREL requirement of 6.09% over LRE.

As of 31 December 2020, CaixaBank reached a MREL ratio of 26.3% of RWAs and 9.4% in terms of LRE at consolidated level. At a subordinated level, primarily including senior non-preferred debt, the MREL ratio of subordinated instruments reached 22.7% of RWAs and 8.1% in terms of LRE.

See the Risk Factor *"Increasingly onerous capital requirements constitute one of the Group's main regulatory challenges (Solvency risk)"* for the risks associated to the failure by the Group to comply with its regulatory capital requirements.

On 26 March 2020, due to the expected impact on the global economy of the spread of COVID-19 and of the measures taken by the authorities to reduce its spread and in order to adapt the Bank to this new environment, the Board of Directors agreed, among other decisions, to reduce the proposed dividend for the 2019 fiscal year

³⁶ On 12 March 2020 the ECB announced measures expected to provide capital relief to banks in support of the economy. These measures include the permission to use capital instruments that do not qualify as CET1 (for example Additional Tier 1 instruments and Tier 2 instruments) to meet P2R, in line with CRD 5. According to that the minimum capital requirement for CaixaBank would reach 8.10% of RWAs for CET1, 9.88% of RWAs for Tier 1 and 12.26% of RWAs for Total Capital.

³⁷ Combined Buffer Requirements amount to 2.76% of RWA at 31 December 2020.

of EUR 0.15 to EUR 0.07 per share, which represents a 24.6% pay-out, this being the only dividend to be paid against 2019 fiscal year profits and to reduce the CET1 target established in the 2019-2021 Strategic Plan for December 2021 to 11.5%, suspending the former target of 12% plus an additional 1% buffer to absorb regulatory requirements including Basel IV, taking into account new regulatory and supervisory considerations including, among others, the impact of regulations established in CRD 5 Directive regarding the composition of P2R (see "*Key events in 2019, 2020 and 2021 – COVID-19*").

Taking into account the decisions agreed by the Board of Directors, the regulatory solvency ratios as of 31 December 2020 would now stand as follows:

	As reported at 31 December 2020
CET1	13.6%
Tier 1	15.7%
Capital Total	18.1%
Subordinated MREL	22.7%
Total MREL	26.3%
MDA Buffer	554bps

Deductions related to Deferred Tax Assets

CRD 4 Directive provides that deferred tax assets that rely on the future profitability of a financial institution (**DTAs**) must be deducted from its regulatory capital (specifically from its core capital or CET1 capital) for prudential reasons, as there is generally no guarantee that DTAs will retain their value in the event of the financial institution facing difficulties.

This new deduction introduced by CRD 4 had a significant impact on Spanish banks due to the particularly restrictive nature of certain aspects of Spanish tax law. For example, in some EU countries when a bank reports a loss, the tax authorities refund a portion of taxes paid in previous years, but in Spain the bank must earn profits in subsequent years in order for this set-off to take place. Additionally, Spanish tax law does not recognise as tax-deductible certain amounts recorded as costs in the accounts of a bank, unlike the tax legislation of other EU countries.

Due to these differences and the impact of the requirements of CRD 4 on DTAs, the Spanish regulator implemented certain amendments to Law 27/2014, of 27 November, on Corporate Income Tax (the **CIT Law**) through Royal Decree Law 14/2013, of 29 November, on urgent measures to adapt the Spanish law to EU regulations on supervision and solvency of financial institutions which also provided for a transitional regime for DTAs generated before 1 January 2014. These amendments enabled certain DTAs to be treated as a direct claim against the Spanish tax authorities if a Spanish bank was unable to reverse the relevant differences within 18 years or if it is liquidated, becomes insolvent or incurs accounting losses. This, therefore, allowed a Spanish bank not to deduct such DTAs from its regulatory capital. The transitional regime provided for a period in which only a percentage (which increases yearly) of the applicable DTAs would have to be deducted. However, the European Commission initiated a preliminary state aid investigation in relation to the Spanish DTAs regime. Such investigation is now resolved to the extent that the European Commission, the Bank of Spain and the Spanish Ministries of Treasury and Economy agreed a commitment to amend the applicable law in order to reinforce the compatibility of the regime with European Law. In general terms, the amendment passed requires payment of a special tax charge in order for the conversion of the DTAs into a current asset to be enforceable. Royal Decree-Law 3/2016, of 2 December (**RD-L 3/2016**) implemented a number of amendments to the CIT Law including the limitation on the use of the DTAs treated as a direct claim and carried forward tax losses up to 25%.

Other relevant regulations related to capital - Prudential treatment of NPLs

Prior to the publication of CRR 2, an amendment of CRR entered into force on 26 April 2019, by which a minimum loss coverage requirement for non-performing exposures (also known as **NPLs Prudential Backstop**) was introduced. According to this amendment of the capital regulation, any shortfall of the stock of accounting provisions or other adjustments as compared to the prudential backstop shall be deducted from own funds. This backstop is only applicable to loans originated from 26 April 2019 onwards that turn non-performing. The coverage requirements are different depending if the loan is “secured” or “unsecured” and also on whether the collateral is movable or immovable.

Prior to the above referred capital requirements legislation, on 15 March 2018, the ECB had already published its supervisory expectations on prudent levels of provisions for NPLs. This was published as an addendum (the **Addendum**) to the ECB’s guidance to banks on non-performing loans published on 20 March 2017, which clarified the ECB’s supervisory expectations regarding the identification, management, measurement and write-off of NPLs. The ECB stated that the Addendum set out what it deems to be a prudent treatment of NPLs with the aim of avoiding an excessive build-up of non-covered aged NPLs on banks’ balance sheets in the future, which would require supervisory measures. The ECB clarified that the Addendum is applicable only to loans originated prior to the entry into force of the NPLs Prudential Backstop (26 April 2019) that have turned non-performing on or after 1 April 2018. In order to make the Addendum and the NPLs Prudential Backstop more consistent and, thereby, simplify banks’ reporting, the calibration of both initiatives have been fully aligned. However, the main differences between the NPLs Prudential Backstop and the Addendum is that (i) the latter is not legally binding, (ii) it only sets a starting point for the supervisory dialogue (Pillar 2 approach) and (iii) is subject to a case-by-case assessment. Further to the Addendum, the ECB has also disclosed that supervisory expectations will also be set on a case-by-case basis for loans that had already turned non-performing on or before 31 March 2018.

Other relevant regulations related to capital – The Basel III post-crisis regulatory reform agenda

On 7 December 2017, the Group of Governors and Heads of Supervision (**GHOS**) published the finalisation of the Basel III post-crisis regulatory reform agenda (also known as **Basel IV**). This review of the regulatory framework covers credit, operational and credit valuation adjustment (**CVA**) risks and introduces a floor to the consumption of capital by internal ratings-based methods (**IRB**) and the revision of the calculation of the leverage ratio. The main features of the reform are: (i) a revised standard method for credit risk, which will improve the soundness and sensitivity to risk of the current method; (ii) modifications to the IRB methods for credit risk, including input floors to ensure a minimum level of conservatism in model parameters and limitations to its use for portfolios with low levels of non-compliance; (iii) regarding the CVA risk, and in connection with the above, the removal of any internally modelled method and the inclusion of a standardised and basic method; (iv) regarding the operations risk, the revision of the standard method, which will replace the current standard methods and the advanced measurement approaches (**AMA**); (v) the introduction of a leverage ratio buffer for global systemically important institutions (**G-SIIs**); and (vi) regarding capital consumption, a minimum limit on the aggregate results (output floor), which prevents the RWA of the banks generated by internal models from being lower than the 72.5% of the RWA that are calculated with the standard methods of the Basel III framework. The GHOS extended the implementation of the revised minimum capital requirements for market risk until January 2022, to coincide with the implementation of the reviews of credit, operational and CVA risks.

On 27 March 2020, the GHOS endorsed a set of measures to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of COVID-19 on the global banking system. The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- The implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor have also been extended by one year to 1 January 2028.

- The implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.
- The implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

LOSS ABSORBING POWERS

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in unsound or failing credit institutions or investment firms (each an **institution**) so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

In accordance with Article 20 of Law 11/2015, an institution will be considered as failing or likely to fail in any of the following circumstances: (i) it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements necessary for maintaining its authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). The determination that an institution is no longer viable may depend on a number of factors which may be outside of that institution's control.

As provided in the BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the FROB, the SRB, as the case may be and according to Law 11/2015, or any other entity with the authority to exercise any such tools and powers from time to time (each, a **Relevant Resolution Authority**) as appropriate, considers that (a) an institution is failing or likely to fail in the near future, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest.

The four resolution tools are: (i) sale of business (which enables the Relevant Resolution Authority to direct the sale of the institution or the whole or part of its business on commercial terms); (ii) bridge institution (which enables the Relevant Resolution Authority to transfer all or part of the business of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control)); (iii) asset separation (which enables the Relevant Resolution Authority to transfer certain categories of assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only)); and (iv) the bail-in, which gives the Relevant Resolution Authority the right to exercise certain elements of the Spanish Bail-in Power (as defined below). This includes the ability of the Relevant Resolution Authority to write down (including to zero) and/or to convert into equity or other securities or obligations (which equity, securities and obligations could also be subject to any future application of the Spanish Bail-in Power) certain unsecured debt claims and subordinated obligations (including the Notes).

The **Spanish Bail-in Power** is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in Spain, relating to the transposition of the BRRD, as amended from time to time, including, but not limited to (i) Law 11/2015, as amended from time to time, (ii) RD 1012/2015, as amended from time to time, (iii) the SRM Regulation, as amended from time to time, and (iv) any other instruments, rules or standards made in connection with either (i), (ii) or (iii), pursuant to which any obligation of an institution can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such institution or any other person (or suspended for a temporary period).

In accordance with Article 48 of Law 11/2015 (and subject to any exclusions that may be applied by the Relevant Resolution Authority under Article 43 of Law 11/2015), in the case of any application of the Spanish Bail-in Power to absorb losses and cover the amount of the recapitalisation, the sequence of any resulting write-down or conversion shall be as follows: (i) CET1 items; (ii) the principal amount of Additional Tier 1 instruments; (iii) the principal amount of Tier 2 instruments; (iv) the principal amount of other subordinated claims that do not qualify as Additional Tier 1 capital or Tier 2 capital and (v) the principal or outstanding amount of eligible liabilities in accordance with the hierarchy of claims in normal insolvency proceedings (with "non-preferred" senior claims subject to the Spanish Bail-in Power after any subordinated claims against the Bank but before the other senior claims against the Bank) (following the entry into force of BRRD 2, Article 48 of BRRD now refers to "bail-inable liabilities", defined as the liabilities and capital instruments that

do not qualify as CET1, Additional Tier 1 instruments or Tier 2 instruments of an institution and that are not excluded from the scope of the bail-in tool).

In addition to the Spanish Bail-in Power, (i) the BRRD, Law 11/2015 and the SRM Regulation provide for the Relevant Resolution Authority to have the further power to permanently write down or convert into equity capital instruments at the point of non-viability of an institution or a group, and (ii) the BRRD 2 (pending implementation in Spain) and the SRM Regulation 2 provide for the Relevant Resolution Authority to have the further power to also permanently write down or convert into equity eligible liabilities at the point of non-viability (both of them, together, the **Non-Viability Loss Absorption**) of an institution or a group. The point of non-viability of an institution is the point at which the Relevant Resolution Authority determines that the institution meets the conditions for resolution or that it will no longer be viable unless the relevant capital instruments are written down or converted into equity or extraordinary public support is to be provided and without such support the Relevant Resolution Authority determines that the institution would no longer be viable. The point of non-viability of a group is the point at which the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated solvency requirements in a way that would justify action by the Relevant Resolution Authority in accordance with Article 38.3 of Law 11/2015. Non-Viability Loss Absorption may be imposed prior to or in combination with any exercise of any other Spanish Bail-in Power or any other resolution tool or power (where the conditions for resolution referred to above are met).

In accordance with Article 64.1(i) of Law 11/2015, the FROB has also the power to alter the amount of interest payable under debt instruments and other eligible liabilities of institutions subject to resolution proceedings and the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period).

In addition, the EBA published certain regulatory technical standards and technical implementation standards to be adopted by the European Commission, in addition to certain other guidelines. These standards and guidelines could be potentially relevant in determining when or how a Relevant Resolution Authority may exercise the Spanish Bail-in Power. These include guidelines on the treatment of shareholders when applying the write-down, conversion, transfer, modification, or suspension powers (the **Bail-in Tool**), as well as on the rate for converting debt into shares or other securities or debentures in the application of the Bail-in Tool. No assurance can be given that, once adopted, these standards will not be detrimental to the rights of a holder of Notes under, and the value of a holder's investment in, the Notes.

As described above, within the framework of the EU Banking Reforms, in July 2020 the Spanish Ministry of Economic Affairs and Digital Transformation published a draft bill for the implementation of BRRD 2 in Spain (the **BRRD 2 Draft Bill**), which, among others, amends Law 11/2015. However, as of the date of this Base Prospectus it is uncertain when the BRRD 2 Draft Bill will be adopted and in which terms.

TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

Spain

The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax consequences relating to the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Notes and receiving any payments under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes.

Introduction

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

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions, as well as Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011, of 29 July (**Royal Decree 1065/2007**);
- (b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax (**IIT**), Law 35/2006 of 28 November, on the IIT, as amended, and Royal Decree 439/2007 of 30 March promulgating the IIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended, and Law 29/1987, of 18 December on the Inheritance and Gift Tax, as amended;
- (c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (**CIT**), Law 27/2014, of 27 November, on the CIT, as amended, and Royal Decree 634/2015, of 10 July, approving the CIT Regulations, as amended; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (**NRIT**), Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax as amended and Law 29/1987, of 18 December on the Inheritance and Gift Tax as amended.

This analysis is a general description of the tax treatment under the currently in force Spanish legislation, without prejudice of regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre, or provisions passed by Autonomous Communities which may apply to investors for certain taxes.

Indirect taxation

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December, regulating such tax as amended.

Individuals with Tax Residency in Spain

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

Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Notes obtained by individuals who are resident in Spain constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the IIT Law, and therefore must be included in the investor's IIT savings taxable base pursuant to the provisions of the aforementioned law.

The IIT savings taxable base is taxed at the following rates: (i) 19% for taxable income up to EUR 6,000; (ii) 21% for taxable income from EUR 6,001 to EUR 50,000; (iii) 23% from EUR 50,000.01 up to EUR 200,000; and (iv) 26 % for any amount in excess of EUR 200,000. Income from the transfer of the Notes is computed as the difference between their transfer value and their acquisition or subscription value. Also, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced, in calculating the income.

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

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

Article 44 of the Royal Decree 1065/2007 has established information procedures for debt instruments issued under the Law 10/2014 (which do not require identification of the Noteholders) and has provided that the interest will be paid by the Issuer to the Issuing and Principal Paying Agent for the gross amount, provided that such information procedures are complied with, so that any payment under the Notes will not be subject to withholding tax to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Principal Paying Agent as it is described under "*Simplified information procedures*". If these information procedures are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required.

However, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the general rate of 19% which will be made by the depositary or custodian.

Amounts withheld may be credited against the final IIT liability.

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

Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds EUR 700,000. Therefore, they should take into account the value of the Notes which they hold as at 31 December of each year, the applicable rates ranging between 0.2% and 3.5%. The Autonomous Communities may have different provisions in this respect.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 0% (full exemption) and 81.6% depending on relevant factors, although the final tax rate may vary depending on any applicable regional tax laws.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest received periodically and income derived from the transfer, redemption or repayment of the Notes are subject to CIT (at the current general tax rate of 25%) in accordance with the rules for this tax. This general rate will not be applicable to all CIT taxpayers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

In accordance with Section 44.5 of Royal Decree 1065/2007 and in the opinion of the Issuer, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold tax on interest payments to Spanish CIT taxpayers to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Principal Paying Agent as it is described under "*Simplified information procedures*". If these information procedures are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required.

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

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

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

Wealth Tax (Impuesto sobre el Patrimonio)

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

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

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

Individuals and Legal Entities with no Tax Residency in Spain

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

With permanent establishment in Spain

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See "*Spain – Legal Entities with Tax Residency in Spain – Corporate Income Tax (Impuesto sobre Sociedades)*". Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to holders of the Notes who are individuals or legal entities not resident in Spain for tax purposes who act with respect to the Notes through a permanent establishment in Spain.

With no permanent establishment in Spain

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

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

Wealth Tax (Impuesto sobre el Patrimonio)

Non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR 700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 3.5%. However, non-Spanish resident individuals will be exempt from Wealth Tax in respect of the Notes which income is exempt from NRIT as described above.

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

If the exemptions outlined do not apply, individuals who are not resident in Spain for tax purposes and who are residents in an EU or European Economic Member State may apply the rules approved by the Spanish region where the assets and rights with more value: (i) are located; (ii) can be exercised; or (iii) must be fulfilled.

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

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules (individuals who are resident for tax purposes in an EU or European Economic Member State (other than Spain) may apply the regional rules), unless they reside in a country for

tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

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. The applicable Spanish Inheritance and Gift Tax rate would range between 0 per cent. (full exemption) and 81.6 per cent., depending on relevant factors.

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

Withholding on Account of IIT, CIT and NRIT

If the Notes are not listed on any Payment Date, payments to Noteholders will be subject to withholding tax at the general rate of 19%, except in the case of Noteholders which are: (a) resident in a Member State of the European Union (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, and obtain the interest income either directly or through a permanent establishment located in another Member State of the European Union (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, provided that such Holders (i) do not obtain the interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a tax haven (as defined by Royal Decree 1080/1991, of 5 July, as amended); (b) Spanish securitization funds which comply with the requirements established in Article 61.k) of Royal Decree 634/2015, of 10 July 2015; or (c) resident for tax purposes of a country which has entered into a double tax treaty with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Holder.

Wealth Tax (Impuesto sobre el Patrimonio)

See "*Spain — Individuals with Tax Residency in Spain — Wealth Tax (Impuesto sobre el Patrimonio)*" and "*Spain — Individuals and Legal Entities with no Tax Residency in Spain — Wealth Tax (Impuesto sobre el Patrimonio)*".

Simplified information procedures

According to Law 10/2014 the information to be reported by issuers to the Spanish Tax Authorities will be developed in relevant regulations. Royal Decree 1065/2007 sets out the procedures to be followed in order to make payments under the Notes without withholdings or deductions for or on account of Spanish taxes.

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

- (a) identification of the Notes;
- (b) income payment date (or refund if the Notes are issued at a discount or segregated);
- (c) total amount of income (or total amount to be refunded if the Notes are issued at a discount or segregated); and

(d) total amount payable under the Notes to each of the Clearing Systems.

If the procedures set out above are complied with, the Issuing and Principal Paying Agent, on behalf of the Issuer, will pay the relevant amount to (or for the account of) the clearing systems without withholdings or deductions for or on account of Spanish taxes. If the statement is not delivered to the Issuer as described above, the Issuer shall pay such additional amounts as required under terms of the Notes and pay an appropriate amount to the Spanish tax authorities to the extent required to comply with its obligations with respect thereto. The Issuing and Principal Paying Agent will pay the relevant amount to (or for the account of) the clearing systems.

If, following clarifications by the Spanish Tax Authorities, procedures in relation to Royal Decree 1065/2007 are subsequently amended, the Issuer and the Issuing and Principal Paying Agent will implement such procedures as may be required to enable the Issuer to comply with its obligations under applicable legislation as clarified by the Spanish Tax Authorities. The Issuer undertakes to ensure that the Noteholders are informed of such new procedures and their implications.

Regarding the interpretation of Royal Decree 1065/2007 and the new simplified information procedures please refer to *"Risk Factors – Risks related to Notes generally – 17. Risks relating to the Spanish withholding tax regime"*.

The Proposed EU Financial Transactions Tax

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

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

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

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

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

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

However, the Commission's Proposal remains subject to negotiation between the 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.

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

Spanish FTT

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

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

The list of the Spanish companies with a market capitalisation exceeding EUR 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 2021, the Spanish tax authorities issued a list of entities whose market capitalization exceeded EUR 1 billion as of 16 December 2020, that will fall within the scope of the Spanish FTT.

This being said, the Spanish FTT would not apply in relation to the Notes since the Spanish FTT only applies on the acquisition of shares of certain Spanish companies, so transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives, are not affected by such tax.

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

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 27 April 2021, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and the Terms and Conditions of the Notes. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in certain transactions exempt from the registration requirements of the Securities Act. The Notes are being offered for sale outside the US in accordance with Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution as determined by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period (as defined in Regulation S under the Securities Act) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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 any Notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer if it was not an authorised person; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in A to C above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) 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; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Spain

Neither the Notes nor this Base Prospectus have been or will be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). The Notes may not be sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in compliance with the provisions of the Prospectus Regulation and the consolidated text of the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*). No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not direct or make any offer of the Notes to investors located in Spain.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

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

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above 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 Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

France

Each Dealer has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Base Prospectus, any Final Terms or any other offering material relating to the Notes.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA pursuant to Section 275(1) of the SFA), or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;

- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**FinSA**). This Base 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 Notes.

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “Professional Investors” as defined in the SFO and any rules made under the SFO; or (b) 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
- (b) 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 Notes, 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 Notes 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.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (Corporations Act)) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (**ASIC**). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless (1) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (2) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act, (3) such action complies with all applicable laws, regulations and directives and (4) such action does not require any document to be lodged with ASIC.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the shareholders of the Issuer dated 25 April 2013, and a resolution of the Board of Directors of the Issuer dated 26 September 2013 and the update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 30 March 2021.

Issues of Notes under the Programme are required to comply with certain formalities contained in the Spanish Corporations law (*Ley de Sociedades de Capital*), including as at the date of this Base Prospectus execution of a public deed of issue (*Escritura de Emisión*).

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market. The approval of the Programme in respect of the Notes was granted on or about 27 April 2021.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available at the website of the Issuer (in respect of the document listed at (a) below) or the website of Euronext Dublin (www.euronext.com/en/markets/dublin) (in respect of the documents listed at (b) and (c) below):

- (a) the By-laws (with an accurately reproduced English translation thereof) of the Issuer;
- (b) a copy of this Base Prospectus; and
- (c) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

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

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in the Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2020.

Save as disclosed in the Base Prospectus, there has been no significant change in the financial performance or position of the Group since 31 December 2020.

Litigation

Other than as described in the section entitled "*Litigation*" on page 230 and under the heading "*The Group is exposed to risk of loss from legal and regulatory claims*" in the Risk Factors section, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Independent Auditors

The current auditors of the Issuer are PricewaterhouseCoopers Auditores, S.L. (registered as auditors on the *Registro Oficial de Auditores de Cuentas*) who audited the Issuer's accounts for each of the two financial years ended on 31 December 2019 and 31 December 2020 and will audit the Issuer's accounts for the financial year ended on 31 December 2021.

Dealers transacting with the Issuer

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

ISSUER

CaixaBank, S.A.
Pintor Sorolla, 2-4
46002 Valencia
Spain

ISSUING AND PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch
60, avenue J.F. Kennedy
L-1855 Luxembourg
Postal Address: L - 2085 Luxembourg

LEGAL ADVISERS

To the Issuer as to English law and Spanish law

Clifford Chance, S.L.P.U.
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28046 Madrid
Spain

To the Dealers as to English law and Spanish law

Allen & Overy
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28006 Madrid
Spain

AUDITORS

To the Issuer

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ARRANGER

Barclays Bank Ireland PLC
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Ireland D02 RF29

DEALERS

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Banco Santander, S.A.
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Citigroup Global Markets Europe AG

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60323 Frankfurt am Main
Germany

Commerzbank Aktiengesellschaft

Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Crédit Agricole Corporate and Investment Bank

12, Place des Etats-Unis
CS 70052
92547 – Montrouge Cedex
France

Credit Suisse Securities Sociedad de Valores S.A.

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28001 Madrid
Spain

Deutsche Bank Aktiengesellschaft

Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

Goldman Sachs Bank Europe SE

Marientum
Taunusanlage 9-10
60329 Frankfurt am Main
Germany

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

HSBC Continental Europe

38, Avenue Kléber
75116 Paris
France

J.P. Morgan AG

Taunustor 1 (TaunusTurm),
60310 Frankfurt am Main
Germany

Mediobanca - Banca di Credito Finanziario

S.p.A.
Piazzetta Enrico Cuccia, 1
20121 Milan
Italy

Morgan Stanley Europe SE

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60312 Frankfurt-am-Main
Germany

NATIXIS

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75013 Paris
France

Nomura Financial Products Europe GmbH

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60313, Frankfurt-am-Main
Germany

Société Générale

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75009 Paris
France

UBS Europe SE

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60306 Frankfurt am Main,
Germany

UniCredit Bank AG

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Germany

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