

## BASE PROSPECTUS

### BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.

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

### CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CRÉDITO

*(incorporated as a cooperative credit company (sociedad cooperativa de crédito) in Spain)*

**EURO 7,000,000,000**

#### **Euro Medium Term Note and European Covered Bond (Premium) Programme**

Under this Euro 7,000,000,000 Euro Medium Term Note and European Covered Bond (Premium) Programme (the "**Programme**" described in this Base Prospectus (which replaces the previous Base Prospectus dated 15 June 2023, in respect of the Programme)), Banco de Crédito Social Cooperativo, S.A. ("**BCC**") and Cajamar Caja Rural, Sociedad Cooperativa de Crédito ("**Cajamar**") (each an "**Issuer**", and together, the "**Issuers**") 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 Notes Final Terms (as defined below).

Cajamar may also issue from time to time *cédulas hipotecarias (bonos garantizados europeos (premium))* (the "**Mortgage Covered Bonds**") and *cédulas territoriales (bonos garantizados europeos (premium))* (the "**Public Sector Covered Bonds**" and together with the Mortgage Covered Bonds, the "**Covered Bonds**") governed by Spanish law under the Programme, as specified in the applicable Covered Bonds Final Terms (as defined below), pursuant to the relevant covered bonds programmes of Cajamar authorised by the Bank of Spain with effect from 8 July 2022.

BCC may request in the future the authorisation of the Bank of Spain for the creation of a covered bond programme for the issuance of Mortgage Covered Bonds. Upon obtaining such authorisation, this Base Prospectus will be supplemented for the purposes of enabling BCC to issue Mortgage Covered Bonds under the Programme.

References to the "**Securities**" shall be to the Notes and to the Covered Bonds, as appropriate. The Securities may be denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below) subject to any applicable legal or regulatory restrictions.

Each tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions of the Notes**") as completed by a document specific to such tranche called Notes final terms (the "**Notes Final Terms**"). Each tranche of Covered Bonds will be issued on the terms set out herein under "*Terms and Conditions of the European Covered Bonds (Premium)*" (the "**Conditions of the Covered Bonds**", and, together with the Conditions of the Notes, the "**Conditions**") as completed by a document specific to such tranche called Covered Bonds final terms (the "**Covered Bonds Final Terms**" and, together with the Notes Final Terms, the "**Final Terms**"). The Final Terms for each Tranche (as defined under "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the European Covered Bonds (Premium)*", as applicable) of Securities will state whether these are to be: (I) Notes and whether such Notes 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; or (II) Covered Bonds and whether such Covered Bonds are to be (i) Mortgage Covered Bonds or (ii) Public Sector Covered Bonds.

Securities may be issued in bearer form, registered form or uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) (respectively "**Bearer Securities**", "**Registered Securities**" and "**Book-Entry Securities**"). The maximum aggregate nominal amount of all Securities from time to time outstanding under the Programme will not exceed Euro 7,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described in this Base Prospectus.

Securities 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 relevant 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 Securities being (or intended to be) subscribed or for which subscribers are being procured by more than one Dealer, be to all Dealers agreeing to subscribe such Securities.

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

Potential investors should note the statements on pages 281–288 regarding the tax treatment in Spain of income obtained in respect of Securities and the disclosure requirements imposed by Law 10/2014 (as defined below) on the relevant Issuer. In particular, payments on Securities may be subject to Spanish withholding tax if certain information relating to Securities is not received by the relevant Issuer in a timely manner.

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuers or the quality of the Securities. Investors should make their own assessment as to the suitability of investing in the Securities. The Issuers may request the Central Bank of Ireland notifies the approval of this Base Prospectus in accordance with Article 25 of the Prospectus Regulation to the competent authority in Spain, the Spanish Securities Exchange Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**"), by providing them, *inter alia*, with certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

Such approval relates only to Securities that are to be admitted to trading on the 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 on markets in financial instruments (as amended, "**MiFID II**") and/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 Securities 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 regulated market of Euronext Dublin. Application may also be made to the Spanish fixed income securities market, AIAF Mercado de Renta Fija ("**AIAF**") operated by Bolsas y Mercados Españoles Renta Fija, S.A.U. for the Securities to be listed and admitted to trading on AIAF. References in the Base Prospectus to Securities being "**listed**" (and all related references) shall mean that such Securities have been admitted to listing on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin or, as the case may be, AIAF or a regulated market for the purposes of MiFID II. The regulated market of Euronext Dublin and AIAF are regulated markets for the purposes of MiFID II. This document may be used to list Securities on the regulated market of Euronext Dublin or, as the case may be, on AIAF 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 Securities 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), 1(5) and/or 3(2) of the Prospectus Regulation. 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 Securities 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), 1(5) and/or 3(2) of the Prospectus Regulation.

Notice of the aggregate nominal amount of Securities, interest (if any) payable in respect of Securities, the issue price of Securities and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the European Covered Bonds (Premium)*"), as applicable) of Securities will be set out in the Final Terms which will be delivered to the Central Bank of Ireland and, where listed, Euronext Dublin or AIAF, as applicable.

Copies of Final Terms in relation to Securities to be listed on Euronext Dublin or, as the case may be, on AIAF, will also be published on the website of the relevant Issuer ([www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/) and <https://www.cajamar.es/en/comun/informacion-corporativa/>, as applicable).

The Programme provides that Securities 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 relevant Issuer and the relevant Dealer.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered in the United States or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S under the Securities Act ("**Regulation S**")) unless registered under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States.

The long-term ratings of each of BCC and Cajamar are BB+ (Positive) by S&P Global Ratings Europe Limited ("**S&P Global**") and BBB (Low) (Stable) by DBRS Ratings GmbH ("**DBRS**"). Each of S&P 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 S&P and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. Securities issued under the Programme may be rated or unrated. Where a Tranche of Securities 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 applicable Final Terms in respect of any Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (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 Securities (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 II Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

**UK MiFIR product governance / target market** – The applicable Final Terms in respect of any Securities may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any 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 Securities (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 Securities is a manufacturer in respect of such Securities, 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 Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; 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 Securities or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs / IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Securities includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Securities are not intended to be

offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (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 UK domestic law 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 UK domestic law 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 UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities 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 (as described in the Conditions of the Notes) or Floating Rate Covered Bonds (as described in the Conditions of the Covered Bonds) may be calculated by reference to one of the Euro Interbank Offered Rate ("**EURIBOR**"), the Euro Short-Term Rate ("**€STR**"), the Sterling Overnight Index Average ("**SONIA**") or the Secured Overnight Financing Rate ("**SOFR**"), as specified in the applicable Final Terms, which are administered by the European Money Markets Institute ("**EMMI**"), the European Central Bank, 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 ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**"). The European Central Bank, 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. As far as the Issuers are aware, €STR, SONIA and SOFR do not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of the EU Benchmarks Regulation.

#### **Arranger**

**Banco Bilbao Vizcaya Argentaria, S.A.**

#### **Dealers**

**Banco Bilbao Vizcaya Argentaria, S.A.**

**BofA Securities**

**Deutsche Bank**

**Goldman Sachs Bank Europe SE**

**J.P. Morgan**

**Natixis**

**Nord/LB**

**Société Générale Corporate & Investment**

**Barclays**

**Citigroup**

**Crédit Agricole CIB**

**HSBC**

**Morgan Stanley**

**Nomura**

**Santander Corporate & Investment Banking**

**UBS Investment Bank**

The date of this Base Prospectus is 7 June 2024.

## IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Securities issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

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

This Base Prospectus is to be read and construed in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"), any supplement thereto that may be published from time to time and in relation to any Tranche of Securities, the applicable Final Terms.

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 the Base Prospectus refers does not form part of this Base Prospectus.

The Dealers have not independently verified the information contained or incorporated by reference in this Base Prospectus. 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 Issuers in connection with the Programme or any responsibility accepted for any acts or omissions of the Issuers or any other person in connection with the Base Prospectus or the issue and offering of any Securities. 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 Issuers in connection with the Programme.

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

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained in it concerning the Issuers is correct at any time subsequent to its date 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 Issuers during the life of the Programme or to advise any investor in Securities issued under the Programme of any information coming to their attention.

None of the Dealers or the Issuers make any representation to any prospective investor in the Securities regarding the legality of its investment under any applicable laws. Any prospective investor in the Securities should be able to bear the economic risk of an investment in the Securities for an indefinite period of time.

## SECURITIES ISSUED AS GREEN, SOCIAL OR SUSTAINABILITY SECURITIES

Prospective investors in any Securities where the Securities are stated to be "Green", "Social" or "Sustainability" Securities in "Reasons for the Offer" in Part B of the applicable Final Terms and/or it is stated that an amount equal to the net proceeds from the issue of the Securities are intended to be used for "green", "social" or "sustainability" projects as described in the "Use of Proceeds" section should have regard to the information in the "Use of Proceeds" section of this Base Prospectus and the relevant Final Terms regarding the use of an amount equal to the net proceeds of those Green, Social or Sustainability Securities, should have regard to the factors

described in the Sustainable Bond Framework (as defined in the "Use of Proceeds" section), must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability Securities together with any other investigation such investor deems necessary and must seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Green, Social or Sustainability Securities before deciding to invest. For more information see – *"The application of an amount equal to the net proceeds of Green, Social or Sustainability Securities as described in "Use of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria"*.

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

Any report, assessment, opinion or certification of any third party made available in connection with an issue of Green, Social or Sustainability Securities is not incorporated in this Base Prospectus. The Second Party Opinion mentioned in the "Use of Proceeds" section and any other such opinion, report, assessment or certification is not, nor should be deemed to be, a recommendation by the Issuers, the Dealers or any other person to buy, sell or hold any Securities and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein. The Sustainable Bond Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. Neither the Sustainable Bond Framework nor the Second Party Opinion are incorporated into, and/or forms part of, this Base Prospectus.

#### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF SECURITIES GENERALLY**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities 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 or any Final Terms and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuers and the Dealers do not represent that this Base Prospectus or any Final Terms may be lawfully distributed, or that any Securities 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 Issuers or the Dealers which is intended to permit a public offering of any Securities or distribution of this Base Prospectus or any Final Terms in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Final Terms 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, any Final Terms or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States, the UK, the EEA, Spain, Japan, Belgium, Singapore and Switzerland, see *"Subscription and Sale"*.

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

The Final Terms in respect of any Securities 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 Securities pursuant to section 309B(1) of the SFA.

If applicable, the Issuers will make a determination in relation to each issue about the classification of the Securities being offered for purposes of section 309B(1)(a). Any such legend included on the applicable Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Presentation of Financial Information**

The consolidated financial information in this Base Prospectus relating to the Issuers has been derived from the audited consolidated annual accounts of the GCC Group (as defined in "*Description of BCC and the GCC Group*") for the financial years ended 31 December 2022 and 31 December 2023 (together, the "**Annual Accounts**").

The Issuers' financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year.

The Annual Accounts have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") as adopted by the EU ("**IFRS-EU**"), considering the Bank of Spain's Circular 4/2017, of 27 November (as amended), and any other legislation governing financial reporting applicable to the GCC Group.

On 1 January 2023 IFRS 17 entered into effect which supersedes IFRS 4 for the recognition, measurement, presentation and disclosure of insurance contracts. IFRS 17 introduces substantial changes in the accounting of insurance contracts with the aim of achieving greater homogeneity and increasing comparability among entities. However, the financial institutions forming GCC Group, as well as its subsidiaries that do not engage on insurance activities, either do not currently market products that fall within the definition of insurance contracts under IFRS 17 or are subject to the exceptions thereunder. In addition, accounting for the impact of the standard using the equity method in subsidiaries that are insurance companies has no material effect on the GCC Group's consolidated financial statements.

### **Certain Defined Terms and Conventions**

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the European Covered Bonds (Premium)*", as applicable, or in any other section of this Base Prospectus.

In this Base Prospectus, all references to:

*U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars;

*Sterling*, *GBP* and *£* refer to pounds sterling; and

*Euro*, *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 European Union, as amended.

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

The language of this Base 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.

## **FORWARD-LOOKING STATEMENTS**

This Base Prospectus (and the information incorporated by reference therein) may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to the

GCC Group's future business, financial condition, results of operations, performance, and strategy. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar meaning. Such statements are based on Management's current views and assumptions and, by nature, involve known and unknown risks and uncertainties; therefore, undue reliance should not be placed on them. Actual financial condition, results of operations, performance or events may differ materially from those expressed or implied in such forward-looking statements, due to a number of factors including, without limitation, general economic and political conditions and competitive situation; future financial market performance and conditions, including fluctuations in exchange and interest rates; frequency and severity of insured loss events, and increases in loss expenses; mortality and morbidity levels and trends; persistency levels; changes in laws, regulations and standards; the impact of acquisitions and disposal, including related integration issues, and reorganisation measures; and general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of catastrophic events, including weather-related catastrophic events, pandemics events or terrorist-related incidents.

### **SUITABILITY OF INVESTMENT**

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities 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 Securities and the impact the Securities 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 Securities, including Securities 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 Securities 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 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) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

### **STABILISATION**

In connection with the issue of any Tranche of Securities, 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 Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. 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 Securities, the applicable Final Terms. The relevant Issuer and any relevant Dealer may agree that Securities shall be issued in a form other than that contemplated in the Conditions, in which event, in the case of Securities, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.

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

Words and expressions defined in "*Form of the Securities*" and "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the European Covered Bonds (Premium)*", as applicable, shall have the same meanings in this Overview.

<b>Issuers:</b>	Banco de Crédito Social Cooperativo, S.A. Cajamar Caja Rural, Sociedad Cooperativa de Crédito
<b>LEI Code:</b>	95980020140005881190 (BCC) 635400CE9HHFB55PEY43 (Cajamar)
<b>Risk Factors:</b>	There are certain factors that may affect the Issuers' ability to fulfil their obligations under Securities issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme and risks relating to the structure of a particular Series of Securities issued under the Programme. All of these are set out under " <i>Risk Factors</i> ".
<b>Description:</b>	Euro Medium Term Note and European Covered Bond (Premium) Programme
<b>Arranger:</b>	Banco Bilbao Vizcaya Argentaria, S.A.
<b>Dealers:</b>	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Barclays Bank Ireland PLC BofA Securities Europe SA Citigroup Global Markets Europe AG Crédit Agricole Corporate and Investment Bank Deutsche Bank Aktiengesellschaft Goldman Sachs Bank Europe SE HSBC Continental Europe J.P. Morgan SE Morgan Stanley Europe SE Natixis Nomura Financial Products Europe GmbH Norddeutsche Landesbank – Girozentrale – Société Générale UBS Europe SE and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain Restrictions:</b>	Each issue of Securities 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.

<b>Principal Paying Agent:</b>	Deutsche Bank AG, London Branch
<b>Local Paying Agents:</b>	Banco de Crédito Social Cooperativo, S.A. Cajamar Caja Rural, Sociedad Cooperativa de Crédito
<b>Programme Size:</b>	Up to Euro 7,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) in aggregate nominal amount of all Securities outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Securities may be distributed subject to the restrictions set out under " <i>Subscription and Sale</i> ", and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, Securities may be denominated in euro, Sterling, U.S. dollars and any other currency agreed between the relevant Issuer and the relevant Dealer.
<b>Form of Securities:</b>	The Securities will be issued in either bearer form, registered form or uncertificated, dematerialised book-entry form ( <i>anotaciones en cuenta</i> ), as described in " <i>Form of the Securities</i> ". Registered Securities will not be exchangeable for Bearer Securities and <i>vice versa</i> . Book-Entry Securities will not be exchangeable for Bearer Securities or Registered Securities and <i>vice versa</i> .
<b>Notes:</b>	
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to a minimum maturity of twelve months and to such other minimum or maximum maturities 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 Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	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.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the relevant 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 relevant Issuer and the relevant Dealer. Fixed Reset Notes may also be issued.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none"><li>(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 amended and supplemented as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the applicable Notes Final Terms)) as published by the International Swaps and Derivatives Association, Inc. or, if specified in the applicable Notes Final Terms, the 2021 ISDA Definitions, the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA (or any successor) on its website (<a href="http://www.isda.org">http://www.isda.org</a>), as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the applicable Notes Final Terms); or</li><li>(b) on the basis of the reference rate set out in the applicable Notes Final Terms.</li></ul>

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant 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 relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant 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.

**Benchmark  
Discontinuation:**

On the occurrence of a Benchmark Event, the relevant Issuer and an Independent Adviser may, subject to certain conditions, in accordance with Condition 6.4 of the Conditions of the Notes and without any separate consent or approval of the Holders, 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 Notes Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or 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 ("**MREL Eligible Ordinary Senior Notes**"), Senior Non Preferred Notes, Senior Subordinated Notes or Tier 2 Subordinated Notes, an Eligible Liabilities Event) or that such Notes will be redeemable at the option of the relevant Issuer (including, without limitation, pursuant to Condition 8.6 (*Clean-Up Redemption at the Option of the Issuer*) of the Conditions of the Notes) and/or the Holders upon giving notice to the Holders or the relevant 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 relevant Issuer and the relevant Dealer.

Tier 2 Subordinated Notes, Senior Subordinated Notes (together, "**Subordinated Notes**"), Senior Non Preferred Notes and MREL Eligible Ordinary Senior Notes may not be redeemed prior to their original maturity other than in compliance with Applicable Banking Regulations (as defined in the Conditions of the Notes) then in force and with the permission of the Competent Authority and/or Relevant Resolution Authority (as these terms are defined in the Conditions of the Notes), if and as applicable (if such permission is required). See Condition 8 (*Redemption and Purchase*) of the Conditions of the Notes.

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the relevant 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 the regulations of the applicable securities system in which the Securities are issued and save that the minimum denomination of each Note will be at least €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.

**Substitution  
Variation:**

**and** If a Capital Event, an Eligible Liabilities Event, a Tax Event or an Alignment Event occurs and is continuing, the relevant 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 changing the governing law of the Notes from English law to Spanish law), without any requirement

for the consent or approval of the Holders, so that they are substituted for, or varied to become or remain, Qualifying Notes. See Condition 21 (*Substitution and Variation*) of the Conditions of the Notes.

**Taxation:**

All payments in respect of the Notes by or on behalf of the relevant 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 9 (*Taxation*) of the Conditions of the Notes), unless such withholding or deduction is required by law. In that event, the relevant Issuer will, save in certain limited circumstances or exceptions (as set out in Condition 9 (*Taxation*) of the Conditions of the Notes) be required to pay such additional amounts in respect of interest as will result in receipt by the Holders of such amounts in respect of such interest, as would have otherwise been receivable by them had no such withholding or deduction been required. No additional amounts shall be paid in respect of principal (or any premium).

**Cross Default:**

The terms of the Ordinary Senior Notes will contain a cross default provision as further described in Condition 11 (*Events of Default*) of the Conditions of the Notes if indicated as applicable in the applicable Notes Final Terms.

The terms of the Senior Non Preferred Notes and 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 3 (*Status of the Senior Notes and Subordinated Notes*) of the Conditions of the Notes.

The Notes shall be neither secured, nor subject to a guarantee or any other arrangement that enhances the ranking of the claims under the Notes.

**Governing Law:**

The Conditions of the Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with either, English law or Spanish law as specified in the applicable Notes Final Terms. In the case of Notes governed by English law, the provisions of Conditions 1.5, 3 and 14 (and any non-contractual obligations arising out of or in connection with them) of the Conditions of the Notes will be governed by, and shall be construed in accordance with, Spanish law. The Notes will be issued in accordance with the formalities prescribed by Spanish company law.

**Covered Bonds:**

**Maturities:**

The Covered Bonds will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities 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 Issuer or the relevant Specified Currency.

If so specified in the applicable Covered Bonds Final Terms and as otherwise provided therein, the relevant Issuer or the Special Cover Pool Administrator (as applicable) may extend the Maturity Date up to the Extended Maturity Date, subject to and in the circumstances contemplated in Royal Decree-Law 24/2021, as amended or replaced from time to time, including the prior permission of the Bank of Spain. Interest will continue to accrue on any unpaid amount and will be payable on each Interest Payment Date falling after the Maturity Date

up to (and including) the Extended Maturity Date as set out in the relevant Covered Bonds Final Terms.

**Issue Price:** Covered Bonds 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.

**Fixed Rate Covered Bonds:** Fixed interest will be payable on such date or dates as may be agreed between the relevant 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 relevant Issuer and the relevant Dealer.

**Floating Rate Covered Bonds:** Floating Rate Covered Bonds 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 amended and supplemented as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Covered Bonds Final Terms)) as published by the International Swaps and Derivatives Association, Inc. or, if specified in the applicable Covered Bonds Final Terms, the 2021 ISDA Definitions, the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA (or any successor) on its website (<http://www.isda.org>), as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Covered Bonds Final Terms); or
- (b) on the basis of the reference rate set out in the applicable Covered Bonds Final Terms.

Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the relevant 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 relevant Issuer and the relevant Dealer.

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

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

**Benchmark Discontinuation:** On the occurrence of a Benchmark Event, the relevant Issuer and an Independent Adviser may, subject to certain conditions, in accordance with Condition 5.4 of the Conditions of the Covered Bonds and without any separate consent or approval of the Holders, 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 Covered Bonds Final Terms will indicate either that the relevant Covered Bonds cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons) or that such Notes will be redeemable at the option of the relevant Issuer (including, without limitation, pursuant to Condition 7.4 (*Clean-Up Redemption at the Option of the Issuer*) of the Conditions of the Covered Bonds) upon giving notice to the Holders 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 relevant Issuer and the relevant Dealer.

See Condition 7 (*Redemption and Purchase*) of the Conditions of the Covered Bonds.

<b>Denomination of Notes:</b>	The Covered Bonds will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Covered Bond 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 Covered Bond will be at least €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) in the case of Covered Bonds to be admitted to trading on a regulated market for the purposes of MiFID II.
<b>Taxation:</b>	All payments in respect of the Covered Bonds by or on behalf of the relevant 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 8 ( <i>Taxation</i> ) of the Conditions of the Covered Bonds), unless such withholding or deduction is required by law. In that event, the relevant Issuer will, save in certain limited circumstances or exceptions (as set out in Condition 8 ( <i>Taxation</i> ) of the Conditions of the Covered Bonds) be required to pay such additional amounts in respect of interest and principal as will result in receipt by the Holders of such amounts in respect of such interest and principal, as would have otherwise been receivable by them had no such withholding or deduction been required.
<b>Status of the Covered Bonds:</b>	Covered Bonds will all rank as more fully described in Condition 3 ( <i>Status of the Covered Bonds</i> ) of the Conditions of the Covered Bonds.
<b>Governing Law:</b>	The Covered Bonds and any non-contractual obligations arising out of or in connection with the Covered Bonds are governed by, and shall be construed in accordance with, Spanish law.
<b>Rating:</b>	Series of Securities issued under the Programme may be rated or unrated. Where a Series of Securities is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating 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.
<b>Listing:</b>	<p>This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Regulation. The Issuers may request the Central Bank of Ireland to notify the approval of this Base Prospectus in accordance with Article 25 of the Prospectus Regulation to the competent authority in Spain, the Spanish Securities Exchange Commission (<i>Comisión Nacional del Mercado de Valores</i>) ("<b>CNMV</b>"), by providing them, <i>inter alia</i>, with certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.</p> <p>Application has been made for Securities issued under the Programme to be listed on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin. Application may also be made to AIAF for the Securities to be listed and admitted to trading on AIAF. No unlisted Securities may be issued under the Programme.</p> <p>Securities may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer(s) in relation to the Series.</p> <p>The applicable Final Terms will state on which stock exchanges and/or markets the relevant Securities are to be listed and/or admitted to trading.</p>

**Selling Restrictions:**

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

**United States Selling Restrictions:**

Regulation S, Category 2. TEFRA C / TEFRA D / TEFRA not applicable, as specified in the applicable Final Terms.



## RISK FACTORS

*The Issuers believe that the following factors may affect their ability to fulfil their obligations under Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuers are not in a position to express a view on the likelihood of any such contingency occurring.*

*The Issuers believe that the factors described below represent the principal risks inherent in investing in any Security issued under the Programme, but the non-payment by the Issuers of any interest, principal or other amounts on or in connection with any Securities may occur for other reasons and the Issuers do not represent that the statements below regarding the risks of holding the Securities are exhaustive. Only risks which are specific to the Issuers and the GCC Group or to the Securities are included herein as required by the Prospectus Regulation. Additional risks and uncertainties relating to the Issuers or the GCC Group that are not currently known to the Issuers or that they currently deem immaterial or that apply generally to the banking industry for which reason have not been included herein, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuers or the GCC Group and, if any such risk should occur, the price of the Securities may decline and investors could lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in, or incorporated by reference into, this Base Prospectus and reach their own views prior to making any investment decision. Prospective investors should consider carefully whether an investment in the Securities is suitable for them in light of the information in this Base Prospectus and their personal circumstances. If potential investors are in doubt about the contents of this Base Prospectus, then they should consult with an appropriate professional adviser to make their own legal, tax, accounting and financial evaluation of the merits and risk of investment in any Securities issued under the Programme.*

*Words and expressions defined in "Terms and Conditions of the Notes" below or "Terms and Conditions of the European Covered Bonds (Premium)" below, as applicable, or elsewhere in this Base Prospectus have the same meanings in this "Risk Factors" section.*

### **FACTORS THAT MAY AFFECT THE ISSUERS' ABILITY TO FULFIL THEIR OBLIGATIONS UNDER SECURITIES ISSUED UNDER THE PROGRAMME**

The risk factors that are considered specific and relevant to BCC, Cajamar and the other Spanish financial institutions (credit cooperatives (*cajas rurales*)) (the "**Members**") which together carry out their activities as a cooperative group known as Grupo Cooperativo Cajamar (the "**GCC Group**" or the "**Group**") are listed below. The materialisation of these risks could have a negative effect on the financial position and business operations of the Group. Also, uncertain or unknown risks to the Issuers at this time, might also have negative effects on the Group.

#### **Risks corresponding to Macroeconomic Events**

- 1. *Unfavourable global economic conditions and any deterioration in the Spanish or general European financial systems may have a material adverse effect on the business, financial condition, results of operations and prospects of BCC, Cajamar and of the GCC Group***

The most relevant events that have been identified within the macroeconomic risks that could affect the financial condition of the Group are basically: (1) the uncertainties of the geopolitical turmoil and (2) the climate change risk.

##### **(a) *Geopolitical and macroeconomic environment***

Currently, the global economy is affected by the conflict between Russia and Ukraine that started in the beginning of 2022, and caused an ongoing humanitarian crisis in Europe, as well as volatility in financial markets globally, heightened inflation, shortages and increases in the prices of energy, oil, gas and other commodities. Although the GCC Group does not conduct any business in the Russian Federation and/or Ukraine and the exposure of its counterparties to Russia and/or Ukraine is limited, the military conflict could have a material adverse effect on the Spanish and global economies and, as a result, on GCC Group's results and financial and equity position due to the effects of actions taken by Western and other states and multinational organisations in response thereto (including, amongst other things, sanctions, export-control measures, travel bans and asset seizures) as well as of any Russian retaliatory actions (including, amongst other things, restrictions on oil and gas exports and cyber-attacks). The prolongation or escalation of the war could also lead to further increases in energy, oil and gas prices

(particularly if supplies to Europe are interrupted), heightened inflationary pressures and exacerbated supply chain disruptions, particularly to those businesses most sensitive to rising energy prices.

Moreover, the rise of energy prices caused by the war in Ukraine worsened the inflationary situation that was already present in Spain and other developed countries after the withdrawal of the restrictions imposed to mitigate the impact of the COVID-19 pandemic and pushed central banks to raise interest rates.

Despite the actions adopted by central banks and other authorities, the annual inflation rate in the Eurozone reached an all-time high of 10.60% in October 2022 before dropping to 2.6% in May 2024<sup>1</sup>. In Spain, the annual inflation rate (harmonised index of consumer prices) reached 10.7% in July 2022, driven primarily by increases in the prices of processed foods, dropping to 3.8% in May 2024<sup>2</sup>. The European Central Bank (the "ECB") estimates that the annual inflation rate will not reach its 2% target until 2026. To curb inflation, the ECB has maintained a tight monetary policy, with a cumulative rise of 4.50 percentage points since July 2022, bringing the deposit facility interest rate up to 4.00% in September 2023. This monetary policy response has increased the financial burden borne by some households, self-employed workers, small and medium enterprises ("SMEs"), and large companies. Although in June 2024 the ECB has decided to lower the interest rates by 0.25 percentage points, it stated that it is determined to keep a restrictive monetary policy as long as necessary to ensure that inflation and sustained high interest rates could lead to difficulties in the repayment of debt by the Group's borrowers, especially by borrowers indebted at floating rates or with lower incomes and affect their purchasing power and creditworthiness, which may, in turn, affect their ability to honour their commitments to the Group. Whilst increases in interest rates have had a positive effect on the Group's net interest income in 2022 and 2023, high interest rates could also discourage customers from borrowing and potentially could lead to increased delinquencies in outstanding loans and deterioration in the quality of the Group's assets.

Increases in interest rates may reduce the value of certain financial assets of the Group, such as fixed-income assets, and may reduce gains or require the Group to record losses on sales of its loans or securities. In this context, concerns have recently arisen with respect to the financial condition of a number of banking institutions in the United States and Europe, in particular those with exposure to certain types of depositors and large portfolios of investment securities. On 10 March 2023, the U.S. authorities intervened Silicon Valley Bank and on 11 March 2023 Signature Bank, following a significant outflow of deposits. Additionally, on 1 May 2023 JPMorgan Chase announced the acquisition of a substantial majority of assets and assumption of certain liabilities of First Republic Bank. In Europe, UBS announced on 20 March 2023 the acquisition of Credit Suisse with the support of the Swiss regulatory authorities, following a crisis of confidence. Government support for this acquisition has triggered a complete write-down of the nominal amount of Credit Suisse's bonds issued as eligible Additional Tier 1 capital. Although the GCC Group has no exposure, whether direct or indirect, to these U.S. banks, to Credit Suisse's instruments eligible as Common Equity Tier 1 ("CET1") or Additional Tier 1 capital and no material exposure, whether direct or indirect, to Credit Suisse or its subsidiaries, the market turmoil generated by these events and the solutions adopted by the authorities could have an impact on other financial institutions and the perception of the stability of other financial institutions, including the GCC Group.

The war in Ukraine, the monetary policy response to inflationary pressures and other factors, such as continued political uncertainty and other geopolitical uncertainties (such as in the Middle East with the attacks of Hamas in Israel in October 2023 and the ongoing retaliation actions from Israel) have adversely impacted the macroeconomic scenario (the growth of the Spanish GDP has slowed from 6.4% in 2021 to 2.4% in 2023, and it is forecasted to slow further to 1.9% in 2024<sup>3</sup>) and may continue to do so in the future, which could further exacerbate the current slowdown in the global economy and, in turn, have a negative effect on GCC Group's business, financial condition, results of operations and prospects.

#### **(b) Risks relating to climate change**

The GCC Group is exposed to climate change through macroeconomic and microeconomic transmission channels. In particular, climate change could involve the following risks that could adversely affect the GCC Group: (i) physical risks related to extreme weather conditions and longer-term trends, that could affect asset valuations and the creditworthiness of its customers; (ii) transition risks related to the reduction of CO2 emissions objective, that can lead to a technological development, changes on regulation and consumer/investor sentiment; and

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<sup>1</sup> Eurostat

<sup>2</sup> Eurostat

<sup>3</sup> World Economic Outlook, January 2024

(iii) liability risks related to those who seek responsibility from entities, regulators or lenders, to compensate the losses they have experienced as a consequence of climate change.

All the former, could materialise, among others, in the following financial risks which could have an adverse effect on the business and financial performance of the GCC Group:

- (i) Credit Risks: the physical climate change that could lead to increased credit exposure and companies with business models not aligned with the transition to a low-carbon economy could have a higher risk of reduced corporate earnings and business disruption due to new regulations or market shifts;
- (ii) Market Risks: market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increased frequency of extreme weather events could affect macroeconomic conditions, undermining fundamental factors such as economic growth, employment and inflation;
- (iii) Operational and Regulatory Risks: severe weather events could directly affect business continuity and operations both of customers and the GCC Group. There is increased regulation around climate change, environmental, social and governance ("ESG") objectives and sustainability and several new regulatory initiatives with an uncertain impact and could entail incurring in greater costs to comply with these new regulations; and
- (iv) Reputational Risks: the GCC Group's reputation and client relationships could be damaged as a result of its practices and decisions related to climate change and the environment, or to the practices or involvement of its clients, in certain industries or projects associated with causing or exacerbating climate change.

#### **Risk Factors related to the Issuers' financial activity**

#### **2. *The GCC Group's business is significantly affected by credit and counterparty risk***

The GCC Group is exposed to the creditworthiness of its customers and counterparties.

The GCC Group is exposed to risks faced by other financial institutions. The GCC Group routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. Defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. These liquidity concerns (such as the ones that have affected some U.S. and European banks as described in "*Unfavourable global economic conditions and any deterioration in the Spanish or general European financial systems may have a material adverse effect on the business, financial condition, results of operations and prospects of BCC, Cajamar and of the GCC Group*" above) have had, and may continue to have, a chilling effect on inter-institutional financial transactions in general. Many of the routine transactions the GCC Group enters into, expose it to significant credit risk in the event of default by one of the GCC Group's significant counterparties.

Despite the risk control measures it has in place, a default by a significant financial counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the GCC Group's business, financial condition, results of operations and prospects. Although the GCC Group regularly reviews its exposure to its clients and other counterparties, as well as its exposure to certain economic sectors and regions that the GCC Group believes to be particularly critical, payment defaults may arise from events and circumstances that are unforeseeable or difficult to predict or detect.

Gross loans and advances to customers at amortized cost were €36,627 million as of 31 December 2023, increasing by 0.29% from 31 December 2022. The GCC Group caters to a range of different customers. Some of the business segments on which it focuses are agrobusiness, corporate SMEs and big enterprises, having still a big proportion of the portfolio in mortgage lending (but not being active in increasing it) and retail SMEs. In terms of agrobusiness, the Group has a 20.29% of the portfolio dedicated to this sector as of 31 December 2023 (compared to 20.75% by 31 December 2022) and a 21.39% in Corporate SMEs and big companies by 31 December 2023 (compared to 18.66% in the previous year). See "*Description of BCC and the GCC Group — Business activities of BCC and the GCC Group — Lending Activities*". SMEs are particularly sensitive to adverse developments in

the economy, rendering the GCC Group's lending activities relatively riskier than if it lent primarily to higher-income customers.

The level of the GCC Group's non-performing loans decreased from €1,014 million as of 31 December 2022 to €779 million as of 31 December 2023, resulting in a non-performing loan ("NPL") ratio as of 31 December 2023 of 2.01%, compared to 2.64% as of 31 December 2022 (-63 bps year-on-year). The reduction of NPLs could slow down as a consequence of the economic downturn that could take place in Spain in the following months due to the inflationary environment, particularly the increase of energy and food prices, that is pressuring Spanish households, and the geopolitical turmoil. See *"Unfavourable global economic conditions and, in particular, in Spain or any deterioration in the Spanish or general European financial systems, may have a material adverse effect on the business, financial condition, results of operations and prospects of BCC, Cajamar and the GCC Group"* above.

In addition, if economic growth further weakens, the unemployment rate increases, or interest rates increase sharply (due to the inflationary environment as a consequence of the increase of gas and energy prices, and supplies like food, fertilisers, semiconductors or commodities), the creditworthiness of the GCC Group's customers may deteriorate. See *"Unfavourable global economic conditions and, in particular, in Spain or any deterioration in the Spanish or general European financial systems, may have a material adverse effect on the business, financial condition, results of operations and prospects of BCC, Cajamar and the GCC Group"* above.

A weakening in customer and counterparties creditworthiness could impact the GCC Group's capital adequacy.

In addition, collateral and security provided to the GCC Group may be insufficient to cover the exposure or others' obligations to the GCC Group. As of 31 December 2023, gross loans coverage amounted to €576 million, implying a NPL coverage ratio of 74.02%. Adverse changes in the credit quality of the Members' borrowers and counterparties could affect the recoverability and value of their respective assets and require an increase in provisions for bad and doubtful debts and other provisions.

**3. *Liquidity risk is inherent in the GCC Group's operations, particularly in the inter-bank and debt markets and could materially adversely affect the GCC Group's liquidity position and credit volume***

Liquidity is essential to any banking business. Liquidity risk comprises uncertainties in relation to the GCC Group's ability, under adverse conditions, to access the necessary funding in order to continue its loan credit activity, cover its obligations to customers, meet the maturity of its liabilities and to satisfy capital requirements. It includes both the risk of unexpected increases in the cost of financing and the risk of not being able to structure the maturity dates of the GCC Group's liabilities reasonably in line with its assets, as well as the risk of not being able to meet its payment obligations on time at a reasonable price due to liquidity pressures and lower credit ratings.

The GCC Group's main source of liquidity and funding is its customer deposit base, the ECB funding, as well as on-going access to wholesale financial markets, including senior unsecured bonds, loans and credit facilities from other credit institutions. Since the GCC Group relies on demand deposits (comprised mainly of current and savings accounts) and term deposits (mostly fixed-term deposits) for a material portion of its funding (accounting for 77.35% of the GCC Group's liabilities as of 31 December 2023 and 68.76% as of 31 December 2022), it cannot provide any assurance that, in the event that its depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or in the event of a sudden or unexpected shortage of funds in the banking systems or money markets in which the GCC Group operates, or a loss of confidence (including as a result of political or social tensions in the regions where it operates or political initiatives, including bail-in and/or confiscation and/or taxation of creditors' funds), the GCC Group will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets. This may result in an adverse effect on the GCC Group's liquidity, business, financial condition, results of operations and prospects.

As of 31 December 2023, the GCC Group had €600 million subordinated debt maturing on 27 November 2031 (with a 6-month call period starting on 27 May 2026 and ending on 27 November 2026 (both dates included)), €500 million senior preferred debt maturing on March 2028 (with a call date on March 2027), €500 million social senior preferred debt maturing in September 2026 (with a call date in September 2025), €750 million mortgage covered bonds maturing in February 2028, €350 million mortgage covered bonds maturing in March 2029 and €650 million senior preferred green bonds maturing in September 2029. As of 31 March 2024, in addition to the issues mentioned, the GCC Group had €600 million mortgage covered bonds maturing in July 2029. There can be no assurance that the GCC Group will be able to refinance this indebtedness on

commercially reasonable terms, or at all, however, and any failure to achieve its refinancing strategy would have a material adverse effect on the GCC Group's business, financial condition, results of operations and prospects. In particular, should BCC not be able to refinance any outstanding senior preferred notes, this could have an adverse effect on the GCC Group's Solvency and MREL ratios.

Regarding the use of ECB refinancing facilities, the GCC Group used the financing provided by the ECB through its different modalities of the Long-Term Refinancing Operations ("LTRO") and Targeted Long Term Refinancing Operations ("TLTRO"). In October 2022, the ECB decided to recalibrate the new measures regarding the third series of TLTRO ("TLTRO III") in view of the inflationary developments and outlook that started the previous year, in order to adapt certain parameters of these operations to reinforce the transmission of the ECB's policy rates to bank lending conditions and to ensure the return of inflation to the ECB's medium target of 2%. The recalibration removed deterrents to early voluntary repayment of outstanding TLTRO III funds, which would reduce the Eurosystem balance sheet, contributing to the overall monetary policy normalisation. It was announced that from 23 November 2022 until maturity date or early repayment date of each respective outstanding TLTRO III operation, the interest rate on TLTRO III operations will be indexed to the average applicable key ECB interest rates over this period. Therefore, the Group decided to start early repaying its outstanding TLTRO, amounting to €969 million by 31 December 2023, compared to €6,639 million by 31 December 2022, representing 1.73% and 11.34% of the GCC Group's total liabilities as of 31 December 2023 and 2022 respectively.

The ECB's facilities were used with the aim of optimising resources, reducing funding costs and maximising financial margins.

If the value of the GCC Group's eligible assets decline, then the amount of funding it can obtain from the ECB or other central banks will be correspondingly reduced, which could have a material adverse effect on the GCC Group's liquidity. If these or similar expansionary economic policies were to be modified, withdrawn or ceased, there could be no assurance that the GCC Group would be able to continue to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets, potentially at significant discounts to book value, to meet its obligations, with a corresponding negative impact on capital.

The GCC Group is exposed to a reduction of the available liquidity, due to the withdrawal of ECB's flexibility measures regarding assets valuation. On 24 March 2022, the ECB announced the removal of pandemic-related collateral easing measures by March 2024.

The GCC Group is exposed to the general risk of liquidity shortfalls and cannot ensure that the procedures in place to manage such risks will be adequate to mitigate liquidity risk.

As of 31 December 2023, the GCC Group had an LCR and NSFR of 197.29% and 149.57% respectively.

**4. *Market risks associated with fluctuations in bond and equity prices, interest rates, exchange rates and other market factors could potentially affect the GCC Group's business. Protracted market declines can reduce liquidity in the markets, complicating the assets sale and materializing losses***

The GCC Group identifies as a market risk the loss of value of a portfolio caused by unfavourable movements in market rates or prices as a result of interest rates, exchange rates, credit spreads and prices fluctuations in the markets where these assets and liabilities are traded. The conflict between Russia and Ukraine, the Credit Suisse collapse in March 2023 and the recent tensions in the Middle East have caused a great volatility in the markets leading to a higher market risk. See "*Unfavourable global economic conditions and, in particular, in Spain or any deterioration in the Spanish or general European financial systems, may have a material adverse effect on the business, financial condition, results of operations and prospects of BCC, Cajamar and the GCC Group*" above.

The GCC Group may have exposure to market risk in respect of securities in its portfolios. The GCC Group may have exposure to risk in respect of securities in its long-term investment portfolio or may engage in securities or currency trading in the future. The performance of financial markets could cause changes in the value of any such GCC Group's investment and trading portfolios and may have an adverse effect on the GCC Group's business, financial condition, results of operations and prospects.

As of 31 December 2023, the GCC Group had financial assets at fair value through other comprehensive income amounting to €886 million, of which €748 million was debt securities (mostly sovereign debt with a term below one year) and €138 million was equity instruments. In addition, the GCC Group had, at the same date, non-trading

financial assets mandatorily at fair value through profit and loss amounting to €484 million, of which €42 million was debt securities.

The GCC Group is exposed to sovereign debt risk. Apart from the aforementioned portfolios, the GCC Group has €12,184 million debt securities at amortised cost as of 31 December 2023, of which €11,539 million correspond to general governments (public administrations) (mostly Italian and Spanish government bonds), with a duration of 11 years (down to 3 years duration if hedges are considered). Any decline in Spain's or Italy's credit ratings, or in the credit ratings of other Eurozone or other government bonds in which the GCC Group could invest, could adversely affect the value of securities issued by Spain, Italy, Spanish regions or other issuers that the GCC Group holds, and could also adversely impact the extent to which the GCC Group can use the Spanish and Italian government bonds it holds (or other government bonds that it may hold from time to time) as collateral for ECB refinancing and, indirectly, for refinancing with other securities. Likewise, any permanent reduction in the value of Spanish or Italian government bonds would be reflected in the GCC Group's capital position and would adversely affect its ability to access liquidity, raise capital and meet minimum regulatory capital requirements. As such, a downgrade or series of downgrades in the sovereign rating of Spain and/or Italy (or any other relevant sovereign) and any resulting reduction in the value of Spanish or Italian government bonds (or other relevant government bonds) may have a material adverse effect on the GCC Group's business, capital position, financial condition, results of operations and prospects.

**(a) *Derivative transactions could involve market, credit and operational risks***

The GCC Group enters into derivative transactions for hedging purposes. The GCC Group is subject to market, credit and operational risks associated with these transactions, including credit or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder, including providing sufficient collateral). The execution and performance of these transactions depend on the ability of the GCC Group to maintain adequate control and administration systems. Moreover, its ability to adequately monitor, analyse and report derivative transactions continues to depend, largely, on its information technology systems. These factors further increase the risks associated with these transactions and could have a material adverse effect on the GCC Group. Unexpected market developments could adversely affect the effectiveness of the GCC Group's hedging strategies, having an impact on its business, results of operations and prospects.

As of 31 December 2023, the nominal value of the hedging derivatives in the books of the GCC Group within its financial risk management strategy and with the aim of reducing asymmetries in the accounting treatment of its operations amounted to €12,469 million.

Moreover, market volatility may have an impact on the income statement ("Gains and losses on assets and liabilities") due to changes to the Credit Valuation Adjustments ("CVA"). CVA is 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 credit risk exposure. The amount registered for "Gains and losses on assets and liabilities" for the financial year ended 31 December 2023 amounted to a loss of €1.7 million.

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

The GCC Group's business is particularly sensitive to changes in interest rates. Interest rates are highly sensitive to many factors beyond the GCC Group's control and as a significant portion of the GCC Group's customer loans as of 31 December 2023 consisted of variable interest rate loans, its business is sensitive to volatility in interest rates. Changes in market interest rates may affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities and subsequently affect the GCC Group's results of operations. The increase in interest rates as a result of the current inflationary environment could cause the GCC Group's interest expense on deposits to increase more significantly and quickly than its interest income from loans, resulting in a reduction in its net interest income as often its liabilities will re-price more quickly than its assets. Further, the increase in interest rates could result in a reduction in the demand for loans and the GCC Group's ability to originate loans, and also contribute to an increase in credit default rates among the GCC Group's customers. Conversely, a decrease in the general level of interest rates could adversely affect the GCC Group through, among other things, increased pre-payments on its loan and mortgage portfolio, lower net interest income from deposits, reduced demand for deposits and increased competition for deposits and loans to clients. Fluctuations in interest rates may therefore have a material adverse effect on the GCC Group's business, financial condition and results of operations.

As of 31 December 2023, 80.3% of the mortgage portfolio of the GCC Group were indexed to variable interest rates (82% as of 31 December 2022), similar level to Cajamar with 79.96%.

A +/-100 bps change in interest rates (1%), assuming that the size and structure of the balance sheet of the GCC Group remains the same, would have an impact on net interest income that is sensitive to interest rates on a one-year horizon of: (i) +4.88% in 2023, in the case of an increase of 100 bps (+2.60% in 2022), and (ii) -4.97% in 2023, in the case of a decrease of 100 bps (-3.01% in 2022). For Cajamar these figures would be +5.24% in the case of an increase of 100 bps and -5.33% in case of a reduction of 100 bps.

## **5. Risk factor of the Issuers' Credit Ratings**

Any reduction in BCC's and Cajamar's credit ratings could increase their cost of funding, adversely affect their interest margins and make their ability to raise new funds or renew maturing debt more difficult.

Any long-term debt rating is based on a number of factors, including its financial strength as well as conditions affecting the financial services industry generally.

As at date of this Base Prospectus, the ratings assigned to BCC and Cajamar by S&P Global and DBRS are as follows:

Agency	Long term	Short term	Outlook	Date
S&P	BB+	B	Positive	29-Apr-2024
DBRS	BBB (Low)	R-2 (Middle)	Stable	17-Nov-2023

There can be no assurance that the rating agencies will maintain the current ratings or outlooks. In general, the future evolution of BCC's and Cajamar's credit ratings is linked, to a large extent, to the macroeconomic and microeconomic outlook, geopolitical turbulences and their impact on the asset quality, profitability and capital of BCC and Cajamar.

Any actual or anticipated decline in BCC's or Cajamar's credit ratings may increase their finance cost and decrease their ability to finance themselves in the capital and money markets, interbank markets, through wholesale deposits or otherwise, harm their reputation, require BCC or Cajamar to replace funding lost due to the downgrade, which may include the loss of customer deposits, and make third parties less willing to transact business with BCC, Cajamar or the GCC Group or otherwise materially adversely affect their business, financial condition and results of operations. Furthermore, any decline in BCC's or Cajamar's credit ratings could breach certain agreements or trigger additional obligations under such agreements, such as a requirement to post additional collateral, which could materially adversely affect the Issuers and the GCC Group's business, financial condition and results of operations.

Since BCC and Cajamar are Spanish entities with substantial operations in Spain, their credit ratings may also be adversely affected by the assessment by rating agencies of the creditworthiness of Spain. As a consequence, any downgrade in the credit rating of Spain or increasing concerns about its ability to make payments on its sovereign debt could lead to an increase in BCC's and Cajamar's borrowing costs, limit their access to capital markets and adversely affect the sale or marketing of their products, their participation in business transactions and their ability to retain customers, which could adversely affect their liquidity and have a material adverse effect on their business, financial condition and results of operations. In the case of Italy, the GCC Group has exposure to Italian sovereign debt, therefore the GCC Group's creditworthiness may also be affected by a decline of Italy's sovereign credit ratings.

## **6. The cyclical nature of the real estate industry may adversely affect the GCC Group's operations**

The GCC Group is exposed to market fluctuations in the price of real estate in various ways. Loans for home purchase are one of the GCC Group's main assets and represented 29.37% of its total gross loan portfolio (including customer loans and advances, contingent liabilities, undrawn balances drawable by third parties (with the exception of developer loans which exclude amounts drawable due to subrogations), non-performing and written-off assets and loans securitised and derecognised; not including impairment charges) as of 31 December 2023. Loans to property developers and construction companies to build properties for sale comprised 1.15% of the total gross loan portfolio as of 31 December 2023. Higher interest rates and unemployment rates, could have a material adverse impact on the GCC Group's mortgage payment delinquency rates, which in turn could have a material adverse effect on its business, financial condition and results of operations.

The decline in property prices decreases the value of the real estate securing the GCC Group's mortgage loans and adversely affects the credit quality of property developers to whom the GCC Group has lent. Furthermore, under certain circumstances, the GCC Group takes title to the real estate assets securing a mortgage loan, either in connection with the surrender of the assets in settlement of the debt or the purchase of the assets or pursuant to legal proceedings to repossess the assets. Therefore, failure of the real estate market to recover or declining real estate prices could have a material adverse effect on the GCC Group's business, financial condition, results of operations and prospects.

A decrease in real estate prices, could have a material impact on the GCC Group's ratio of non-performing mortgage loans, which could increase the GCC Group's real estate risk and have an adverse effect on the GCC Group's business, financial position and operating results.

There is also the risk that the value at which the GCC Group appraises existing real estate assets (and any others that may be included in the future as a result of the GCC Group's activity) recorded on its balance sheet may not match their fair value if they were sold, given the difficulties of making valuations in a market as illiquid as the current Spanish real estate market.

The GCC Group has a high exposure to foreclosed assets (gross) totalling €771 million as of 31 December 2023 (€325 million in net terms), which implies having a gross non-performing assets ("NPAs") ratio of 4.02%.

A deterioration in the current economic situation could affect collateral market prices as well as those of foreclosed assets, potentially slowing down the pace of reduction of NPAs and/or requiring the GCC Group to increase the volume of non-performing assets provisions.

#### **7. Concentration risk of GCC Group**

GCC Group operates mainly in Spain, and particularly in the regions of Madrid, Andalucía, Valencia and Murcia. As of 31 December 2023, 80.33% of its total credit risk amounting €58,230 million is located in Spain and 16.94%, 20.36%, 16.23% and 9.98% of its credit risk in Spain is located in Madrid, Andalucía, Valencia and Murcia, respectively. The accumulation or concentration of positions (assets and liabilities) in a specific geographical area or activity sector generates an excessive dependence of GCC Group to that area or sector. Therefore, the evolution of its business is linked to the economic situation of these regions and any adverse change which affects the Spanish economy and, in particular, these regions in which GCC Group operates may reduce the demand of its products and services, including deposits and loans, and as a consequence may result in a decrease of its revenues and profitability, and an increase in payment delinquency rates.

#### **Risk Factors related to operational risks**

The GCC Group's business is dependent on its ability to process a large number of transactions efficiently and accurately. The GCC Group is exposed to a variety of operational risks such as those resulting from process error, system failure, under-performance of its staff, inadequate customer services, natural disasters or the failure of external systems including clerical or record keeping errors, or errors resulting from faulty computer, telecommunications, or information systems, or from external events. Pillar 1 capital requirements for operational risk stood at €151 million as of 31 December 2023.

#### **8. *BCC, Cajamar and the GCC Group are subject to substantial regulation and regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a material adverse effect on their business, results of operations and financial condition.***

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. Legislation has already been enacted and regulations issued in response to some of these proposals, and these increased levels of government and regulatory intervention in the banking sector are expected to continue for the foreseeable future. As a result, the GCC 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. This creates significant uncertainty for the GCC Group and the financial industry in general.



Implementation of the relevant procedures, monitoring and other technical and human requirements in relation to new laws and regulations could have an impact on the GCC Group's business by increasing its operational and compliance costs. If these requirements are not interpreted or implemented correctly, or if the relevant procedures are breached, the GCC Group may become subject to legal and regulatory claims and sanctions. See "*The Group is exposed to risk of loss from legal and regulatory claims*". Any legislative or regulatory actions and any required changes to the business operations of the GCC Group resulting from such legislation and regulations, as well as any deficiencies in the GCC Group's compliance with such legislation and regulation, could result in significant loss of revenue, leading to a decrease in the profitability of the GCC Group, and could limit the ability to pursue business opportunities and provide certain products and services, affect the value of assets that the GCC Group holds, require the GCC Group to increase the prices and therefore reduce demand for products, impose additional compliance and other costs on us or otherwise adversely affect the GCC Group businesses.

The main regulations which have most heavily affected the GCC Group are those related to banking supervision, recovery and resolution, anti-money laundering and terrorism financing, data protection and taxation:

- (a) ***Compliance with anti-money laundering and anti-terrorism financing rules involves significant cost and effort and the GCC Group may not be able to detect or prevent these activities:***

The GCC Group entities are subject to rules and regulations regarding money laundering and the financing of terrorism. These rules and regulations require the GCC Group, amongst others, to conduct full customer due diligence (including sanctions and politically exposed person screening), keep its customer account and transaction information up to date, and have financial crime policies and procedures detailing what is required from those responsible implemented. The GCC Group is also required to conduct anti-money laundering training for its employees and to report suspicious transactions to the competent authority following a special review performed by the GCC Group anti-money laundering team.

Monitoring compliance with anti-money laundering and anti-terrorism financing rules can put a significant financial burden on banks and other financial institutions and pose significant technical problems. Although the GCC Group believes that its current policies and procedures are sufficient to comply with applicable rules and regulations, it cannot guarantee that its GCC Group-wide anti-money laundering and anti-terrorism financing policies and procedures completely prevent situations of money laundering or terrorism financing. For instance, emerging technologies, such as cryptocurrencies and blockchain, could limit the GCC Group's ability to track the movement of funds and hence hinder its ability to detect suspicious transactions. Any of such events may have severe consequences, including sanctions, fines and reputational consequences, which could have a material adverse effect on the GCC Group's financial condition and results of operations.

Where the GCC Group outsources any of its customer due diligence, customer screening or anti financial crime operations, it remains responsible and accountable for full compliance and any breaches. If the GCC Group is unable to apply the necessary scrutiny and oversight of third parties to whom it outsources certain tasks and processes, there remains a risk of regulatory breach.

In addition, while the GCC Group reviews its relevant counterparties' internal policies and procedures with respect to such matters, the GCC Group, to a large degree, relies upon the relevant counterparties to maintain and properly apply their own appropriate compliance procedures and internal policies.

If the GCC Group is unable to fully comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties on the GCC Group, including requiring a complete review of its business systems, day-to-day supervision by external consultants and ultimately the revocation of banking licenses within the GCC Group.

The reputational damage to the business of the Group would be severe in the event that it is found to have breached anti-money laundering, anti-bribery and corruption or sanctions requirements. Its reputation could also be affected if the GCC Group is unable to protect its customers' bank products and services from being used by criminals for illegal or improper purposes.

Measures, procedures and internal policies in place may not be completely effective in preventing third parties from using the GCC Group's (and its relevant counterparties') services as a conduit for illicit purposes (including illegal cash operations) without its (and its relevant counterparties') knowledge. Any current or future association with, or even accusations of association with, breaches of anti-money laundering, anti-terrorism or sanctions

requirements could damage the GCC Group reputation, and could cause to become subject to fines, sanctions and/or legal enforcement.

Compliance risk also entails the risk of legal or administrative sanctions or loss of reputation due to failures to comply with laws, regulations, self-regulation, codes of conduct and internal regulations applicable to its banking activities. Regulatory compliance is a responsibility that falls to the whole GCC Group and its staff, not only to a particular area or department. BCC is responsible for continuous compliance monitoring across the GCC Group; assessing and managing the risk of non-compliance related to transparency, customer protection and rules of conduct in the areas of markets, market abuse, customer banking products and services, protection of personal data and the prevention of criminal risks related to business activities of the GCC Group and promoting appropriate training to staff on these matters within the GCC Group.

***(b) Regulation related to data collection, processing and storage systems***

Risks relating to data collection, processing and storage systems are inherent in the GCC Group's business and the GCC Group is increasingly exposed to cyber security threats. Losses can result from inadequate personnel, inadequate or failed internal control processes and systems or from external events that interrupt normal business operations.

Like other financial institutions, the GCC Group receives, manages, processes, holds and transmits proprietary and sensitive or confidential information, including personal information of customers and employees in the conduct of its banking operations. Therefore, the business of the GCC Group depends on its ability to process a large number of transactions efficiently and accurately, and on its ability to rely on its digital technologies, computer and email services, software and networks, as well as on the secure processing, storage and transmission of confidential or sensitive personal data and other information using the computer systems and networks of the GCC Group or those of its third-party vendors. Even if the GCC Group has procedures in place to safeguard personal and other confidential and sensitive information in its possession, unauthorised access or disclosures could result in the GCC Group being subject to actions and administrative sanctions, as well as damages or reputational harm that could materially and adversely affect the financial condition of the GCC Group.

Cybersecurity incidents and data losses can result from inadequate personnel, inadequate or failed internal control processes and systems, or from external events or actors that interrupt normal business operations. The GCC Group also faces the risk that the design of its cybersecurity controls and procedures prove to be inadequate or are circumvented such that its data and/or client records are incomplete, not recoverable or not securely stored. Any material disruption or slowdown of the systems of the GCC Group could cause information, including data related to customer requests, to be lost or to be delivered to its clients with delays or errors, which could reduce demand for its services and products, could produce customer claims and could materially and adversely affect the GCC Group. This is especially applicable after the accelerated shift the GCC Group has experienced during and following COVID-19 pandemic in having a significant part of its employees working from their homes, as its employees access its secure networks through their home networks.

Even after taking protective measures and continuously monitoring and developing its systems to protect its technology infrastructure, data and information from misappropriation or corruption, the software and networks of the GCC Group may, nevertheless, be vulnerable to disruptions and failures caused by unauthorised access or misuse, computer viruses, disability devices, phishing attacks or other malicious code, fire, power loss, telecommunications failures, employee misconduct, human error, computer hackers, and other events that could have a security impact on the GCC Group. If the GCC Group fails to effectively manage its cybersecurity risk, including by failing to update its systems and processes in response to new threats, this could harm its reputation and adversely affect its operating results, financial condition and prospects, including through the payment of customer compensation or other damages, litigation expenses, regulatory penalties and fines and/or through the loss of assets.

Cybercrime and criminal schemes seeking to profit from attacks on information technology systems and their users are becoming more prevalent and sophisticated. Like all entities in the financial system, the GCC Group is subject to periodic cyberattacks. The spread of new technologies and services that the GCC Group makes available to the customers online could facilitate cybercrime and contribute to the increasing sophistication of these criminal operations. The constant evolution of criminal actors and techniques places pressure on the GCC Group to constantly re-evaluate its mode for preventing, managing and responding to cyberattacks and fraud in order to respond effectively to emerging risks.

In recent years, the information technology and computer systems of companies and organisations are being increasingly targeted, and the techniques used to obtain unauthorised, improper or illegal access to information technology and computer systems have become increasingly complex and sophisticated. Furthermore, such techniques change frequently and are often not recognised or detected until after they have been launched and can originate from a wide variety of sources, including not only cyber criminals, but also activists and terrorists, nation states, nation state-supported actors and others. As attack attempts continue to evolve in scope and sophistication, the GCC Group may incur significant costs in order to modify or enhance its protective measures against such attacks, or to investigate or remediate any vulnerability or resulting breach, or in communicating cyber-attacks to its customers, affected individuals or regulators.

In addition, several new and proposed laws, directives and regulations are defining how to manage cybersecurity and data protection risks, among others, with respect to the data breach reporting requirements and supervisory processes. These regulations are quite fragmented in terms of definitions, scope and applicability. A failure to successfully implement all or some of these new local, regional, national and international regulations, which in some cases have severe sanction regimes, could have a material adverse effect on the GCC Group. Without prejudice to the sanction regimes established in the applicable regulations, cybersecurity risks may cause an increase in operational risk and as a consequence generate higher capital requirements to be complied by the GCC Group.

The main challenges that could affect the business are the frustration of users in the face of the change in the way of working; lack of training or connection devices; remote access configuration failures; failures in the sizing of connection lines to the centres; absence of "reliable" methods of connection to the work centre and increased risk by allowing connections from personal equipment of the user to their workplace.

(c) ***Regulation on contributions for assisting in the future recovery and resolution of the Spanish banking sector may have a material adverse effect on BCC's business, financial condition and results of operations***

Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (the "**DGSD**") was implemented in Spain through Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment firms ("**Law 11/2015**") and Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 ("**RD 1012/2015**"), which established a requirement for Spanish credit institutions, including BCC, to make at least an annual ordinary contribution to the National Resolution Fund (*Fondo de Resolución Nacional*) (the "**National Resolution Fund**") payable on request of the Fund for Orderly Bank Restructuring (*Fondo de Reestructuración Ordenada Bancaria*) (the "**FROB**") in addition to the annual contribution to be made to the Deposit Guarantee Fund (*Fondo de Garantía de Depósitos de Entidades de Crédito*) (the "**Deposit Guarantee Fund**") by member institutions. The total amount of contributions to be made to the National Resolution Fund by all Spanish banking entities must equal, at least, 1% of the aggregate amount of all deposits guaranteed by the Deposit Guarantee Fund by 31 December 2024. The contribution will be adjusted to the risk profile of each institution in accordance with the criteria set out in RD 1012/2015 and in the Commission Delegated Regulation (EU) 2015/63, of 21 October 2014, supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements. The FROB may, in addition, collect extraordinary contributions.

Furthermore, Law 11/2015 also established an additional charge (*tasa*) which shall be used to further fund the activities of the FROB, in its capacity as a resolution authority, which charge shall equal 2.50% of the above annual ordinary contribution to be made to the National Resolution Fund.

In addition, BCC needs to make contributions to the Single Resolution Fund and the Deposit Guarantee Fund. These contributions are recognised in the item "Other operating expenses- contribution to the Deposit Guarantee Fund and Single Resolution Fund" of the Profit and Loss Account and totalled €66 million in the financial year ended 31 December 2022 and €64 million in the financial year ended 31 December 2023. Any levies, taxes or funding requirements imposed on BCC pursuant to the foregoing or otherwise in any of the jurisdictions where it operates could have a material adverse effect on BCC's business, financial condition and results of operations.

(d) ***Changes in laws and regulations on taxes and levies applicable to the GCC Group***

Governments in different jurisdictions, including Spain, are seeking to identify new funding sources, and, they have recently focused on the financial sector. The GCC Group is exposed to new laws and regulatory and interpretative changes which could, among other things, lead to (i) the creation of new taxes, such as (a) Law

38/2022, of 27 December, that creates a temporary levy (applicable to the fiscal years 2023, 2024 and 2025, however, the Spanish government will evaluate whether it should be maintained on a permanent basis) for credit institutions operating in Spain with a total interest and commission income in the year ended 31 December 2019 equal to or greater than €800 million (on an individual or a consolidated basis) and that will tax, at a rate of 4.80%, the sum of the net interest income and commission income and expenses derived from the activity carried out in Spain for the immediately preceding year, (b) the common financial transaction tax ("FTT") contemplated in the proposed Tax Directive of the European Commission for the Financial Transactions Tax and (c) the Spanish FTT which came into effect in Spain in January 2021; (ii) an increase in the rates of existing taxes, such as the imposition, with effect from 1 January 2022, of a minimum effective tax rate for the purposes of the Spanish corporate income tax (set at 18%), as well as the global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the EU, pursuant to the approval of Directive 2022/2523, on 14 December 2022, which should have been transposed into national legislation before 31 December 2023 and which introduces a minimum effective taxation for large multi-nationals with annual revenues of at least €750 million; and (iii) changes in the calculation of tax bases and exemptions therefrom, such as (a) the limitation adopted in Spain with respect to the exemption for dividends and capital gains from domestic and foreign subsidiaries for the purposes of Spanish corporate income tax, pursuant to which 5% of the dividends and capital gains of the Members will be subject to, and not exempt from, corporate tax; (b) the temporary limitation introduced only for fiscal years starting in 2023 for Spanish corporate income tax groups, pursuant to which, the taxable base of Spanish tax groups was determined by considering 100% of the positive taxable bases but exclusively 50% of the negative individual taxable bases of the entities that are part of said group; or (c) the recent amendment of the calculation of the limit to the deductibility of net financial expenses, and which, as from 1 January 2024, excludes from the 30% of the taxpayers' tax EBITDA income, expenses or revenues that have not been included in the tax base for Spanish corporate income tax purposes (i.e., dividends, capital gains benefiting from the Spanish participation exemption).

Although the GCC Group considers that as of the date of this Base Prospectus none of its Members are subject to the temporary levy, all or some of its Members may become subject to such levy in the future. The increasing tax burden faced by the GCC Group may have a material adverse effect on the business, capital position, financial condition, results of operations and prospects of the GCC Group.

***(e) The GCC Group is subject to supervision by tax authorities, and an incorrect interpretation of tax laws and regulations by the GCC Group may have a material adverse effect on it***

The preparation of the tax returns of the GCC Group requires the use of estimates and interpretations of complex tax laws and regulations and is subject to review by tax authorities.

The GCC Group is subject to the income tax laws of Spain. These tax laws are complex and subject to different interpretations by the taxpayer and relevant governmental tax authorities, which are sometimes subject to prolonged evaluation periods until a final resolution is reached. In establishing a provision for income tax expense and filing returns, the GCC Group must make judgements and interpretations about the application of these inherently complex tax laws. If the judgement, estimates and assumptions the GCC Group uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on GCC Group's results of operations.

***(f) The GCC Group is subject to potential action by any of its regulators or supervisors, particularly in response to customers complaints***

In their supervisory roles, regulators seek to maintain the safety and soundness of financial institutions with the aim of strengthening the protection of customers and the financial system. The supervisors' continuing supervision of financial institutions is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns, reports obtained from skilled persons, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy.

In general, these regulators have a more outcome-focused regulatory approach that involves more proactive enforcement and more punitive penalties for infringement. As a result, the GCC Group faces increased supervisory scrutiny and in the event of a breach of our regulatory obligations it is likely to face more stringent regulatory fines. Certain regulators are focusing intently on consumer protection and on conduct risk and will continue to do so. This has included a focus on the design and operation of products, the behaviour of customers and the operation of markets. Such a focus could result, for example, in usury regulation that could restrict the ability of the GCC

Group to charge certain levels of interest in credit transactions or in regulation that would prevent the GCC Group from bundling products that it offers to its customers.

Customers of financial services institutions may seek redress if they consider that they have suffered loss as a result of the miss-selling of a particular product, or through the incorrect application of the terms and conditions of a particular product. Litigation and the evolution of judgements by relevant authorities is unpredictable. An adverse outcome in some matters could harm the GCC Group's reputation or have a material adverse effect on the operating results, financial condition and prospects arising from any penalties imposed or compensation awarded, together with the costs of defending such an action, thereby reducing the profitability of the GCC Group.

*(g) Compliance with the codes of good practice*

In the current inflationary environment with rising interest rates, the GCC Group's Board of Directors approved in December 2022 to accede to (i) the extended existing code of good practices, and (ii) the new code of good practices established by Royal Decree-Law 19/2022, of 22 November (the "**Royal Decree-Law 19/2022**") (the "**2022 Code of Good Practices**"), a voluntary set of measures to support mortgagors in difficulty in the macroeconomic context of rising interest rates, which will have a two-year transitional period. The GCC Group is committed to applying this package of measures, which aims to anticipate and alleviate the possible difficulties that some households may have in the future in paying the mortgage on their primary residence as a result of the rise in interest rates. See "*Unfavourable global economic conditions and any deterioration in the Spanish or general European financial systems may have a material adverse effect on the business, financial condition, results of operations and prospects of BCC, Cajamar and of the GCC Group – Geopolitical and macroeconomic environment*" and "*The GCC Group's business is significantly affected by credit and counterparty risk*". The GCC Group's NPL ratio could eventually be materially affected in the coming years as a result of rising inflation and interest rates, together with the application of the abovementioned codes of good practice.

**9. The GCC Group is exposed to risk of loss from legal and regulatory claims**

The GCC Group and its Members are and, in the future, may be involved in various claims, disputes, legal proceedings and governmental investigations in Spain. These types of claims and proceedings may expose the GCC Group, or its Members, to monetary damages, direct or indirect costs or financial loss, civil and criminal penalties, loss of licenses or authorisations, or loss of reputation (reputational risk), as well as the potential for regulatory restrictions on the GCC Group's businesses, all of which could have a material adverse effect on the GCC Group's business, financial condition, results of operations and prospects.

*Interest rate floor clauses*

The GCC Group could be exposed to legal claims related to interest rate floor clauses. On 21 December 2016, the Court of Justice of the EU ("**CJEU**") published its decision regarding whether the time limitation placed on the refund of amounts following the declaration of invalidity of interest rate floor clauses in mortgage loans to customers by the Supreme Court of Spain in its judgment dated 9 May 2013, among others, was in compliance with Council Directive 93/13/EEC of 5 April on unfair terms in consumer contracts ("**Directive 93/13/EEC**"). In its judgment, the ECJ stated that national case-law that sets time limits for the refund of amounts arising from the invalidity of an unfair term in a contract is contrary to article 6(1) of the Directive 93/13/EEC.

Following the entry into force of the Royal Decree-Law 1/2017 concerning Urgent Measures for Protection of Customers and in response to the requirements of the CNMV regarding mortgage floor clauses (*cláusulas suelo*), on 24 January 2017 Cajamar published a regulatory announcement (*hecho relevante*) communicating that it had already removed the floor clause to all mortgage loans to individuals (household) affected by the Spanish Supreme Court Decision of 9 May 2013.

The entities of the GCC Group have attended and attend the extrajudicial claims received under this Royal Decree-Law, returning those amounts that would have been received on the occasion of the application of the pact, in cash or other legally possible compensatory measures, in order to avoid judicial proceedings.

During the financial year ended 31 December 2023, payments to customers and administrative expenses for managing these claims amounted to €2.5 million. As of 31 December 2023, the GCC Group has recorded provisions in order to cover contingencies deriving from interest rate floor clauses for a total amount of €0.85 million (€0.2 million as of 31 December 2022).

### *Mortgage expenses*

Additionally, on 23 December 2015 the Supreme Court of Spain ruled that mortgage clauses that envisaged that a borrower shall pay all fees related to taking out the mortgage were null and void. Nullity declared by the Supreme Court was based on the lack of detail in the loan agreement with regards to expenses, commissions and taxes that should have been detailed in the loan documentation other than imposed in a generic manner. Claims were brought against the GCC Group related to these clauses.

### *IRPH*

Regarding the reference rate for mortgages in Spain, the CJEU was asked to clarify whether the judgment of the Supreme Court dated 14 December 2017, in which it exempted the Index of Reference of Mortgage Loans ("**IRPH**") (*Índice de Referencia de Préstamos Hipotecarios*) clause from any transparency control, is adjusted to community law.

The legal matter under debate is the transparency test based on article 4.2 of Council Directive 93/13/EEC when the borrower is a consumer. Since the IRPH is the price of the contract and it falls within the definition of the main subject matter of the contract, it must be drafted in plain, intelligible language, so that the consumer is in a position to evaluate, on the basis of clear, intelligible criteria, what the economic consequences derived from such contract are.

On 3 March 2020, the CJEU issued its final decision with regards to the IRPH used by many Spanish lenders to establish the interest rate on numerous mortgage loans. The CJEU declared that national courts are required to verify that a contractual term relating to the main subject matter of the agreement is plain and intelligible and in that regard, a contractual term setting a variable interest rate under a mortgage loan agreement not only must be formally and grammatically intelligible but also enable an average consumer, who is reasonably well-informed and reasonably observant and circumspect, to be in a position to understand the specific functioning of the method used for calculating that rate and thus evaluate, on the basis of clear, intelligible criteria, the potentially significant economic consequences of such a term on his or her financial obligations. The CJEU considers that information that is particularly relevant for the purposes of the assessment to be carried out by the national court in that regard includes (i) the fact that essential information relating to the calculation of that rate is easily accessible to anyone intending to take out a mortgage loan, on account of the publication of the method used for calculating that rate, and (ii) the provision of data relating to past fluctuations of the index on the basis of which that rate is calculated.

The CJEU also establishes that where an unfair contractual term setting a reference index for calculating the variable interest of a loan is null and void, national courts shall replace that index with a statutory index applicable in the absence of an agreement to the contrary between the parties to the contract, in so far as the mortgage loan agreement in question is not capable of continuing in existence if the unfair term is removed and annulment of that agreement in its entirety would expose the consumer to particularly unfavourable consequences.

Notwithstanding the above, the Court of First Instance No. 38 of Barcelona formulated a new request for preliminary rulings with the CJEU, following its judgment of 3 March 2020 in Case C-125/18, which was resolved by the CJEU by Order of 17 November 2021, in which it declared that not passing the transparency control did not imply the abusiveness of an IRPH clause. However, even if in some specific case it is hypothetically considered that the clause was not transparent, the most likely effect will be the replacement of the IRPH applied by the agreed substitute rate, and in the absence of this, by the supplementary legal index, that means that a judge could determine it based on similar set of entities.

The CJEU therefore confirmed that the publication of the Circular of the Bank of Spain (5/2012), with the formula for calculating the IRPH in the Spanish Official Gazette (BOE) is sufficient for its knowledge and comprehensibility of the index.

### *Revolving cards*

Regarding the revolving card exposures, the Plenary Session of the First Chamber of the Supreme Court, in March 2020 handed down a judgment confirming the annulment of revolving cards considering the remuneration interest usurious. These types of cards allow a credit or deferred payment of purchases or cash provisions to be arranged rapidly. The holder of these revolving cards usually pays a fixed monthly fee but subject to an interest rate usually above 20%. As a result, not only does the cardholder end up paying a much higher amount than the

available capital, but the payment of the outstanding debt is extended so much in time that the borrower can become, what the Supreme Court has called, a "captive debtor".

Order ETD/699/2020 of 24 July, regulating revolving credit, that is applied by the GCC Group, was enacted with the aim of reducing this litigation, avoiding the risk of excessive prolongation of the credit with the consequent excessive payment of interest.

Since March 2018, in the case of consumers, the GCC Group commercialises as an intermediary, the revolving credit lines and cards of the entity GCC Consumo Establecimiento Financiero de Crédito, S.A. The business of consumer lending for BCC is handled through the joint venture with Banco Cetelem S.A.U. (in which BCC holds a 49% share) so the impact of this issue would be in the form of less commissions and dividends coming from such agreement or an increased capital requirement.

Without prejudice to the above current legal claims, there is also a risk that the outcome of any legal or regulatory actions or proceedings in which the GCC Group is involved may give rise to changes in laws or regulations as part of a wider response by relevant lawmakers and regulators. A decision in any matter, either against the GCC Group or another financial institution facing similar claims, could lead to further claims against the GCC Group. This could have a material adverse effect on the GCC Group results and financial situation.

#### **10. Information reliability risk**

The GCC Group's annual accounts are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of the GCC Group's operations and financial position. Despite the GCC Group's risk management policies, procedures and methods, the GCC Group may nonetheless be exposed to unidentified or unanticipated risks. The preparation of annual accounts requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the GCC Group's results and financial position, based upon materiality and significant judgements and estimates, include impairment of loans and advances, valuation of financial instruments, impairment of available-for-sale financial assets, deferred tax assets provision and pension obligation for liabilities.

The accounting standard setters and other regulatory bodies periodically change the financial accounting and reporting standards that govern the preparation of the consolidated financial statements of the GCC Group. These changes can materially impact how the GCC Group records and reports its financial condition and results of operations, as well as affect the calculation of its capital ratios. In some cases, the GCC Group could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements.

The GCC Group has to calculate provisions with its own models, which are based on historic data and macroeconomic forecasts. Within the current inflationary environment, the GCC Group updated its macroeconomic forecasts. The risk parameters used to estimate allowances are determined by the prevailing macroeconomic situation and then projected based on different macroeconomic scenarios. The Bank of Spain's latest macroeconomic projections have been included in the latest changes to these estimates, and they are given significant weight.

The GCC Group also enhanced mechanisms for detecting significant increase in risk. Nevertheless Stage 2 according to IFRS9 classification total exposures has been reduced since 31 December 2022 by €144 million to €2,521 million in 31 December 2023, but has increased compared to the previous quarter by €406 million.

Furthermore, due to the uncertainty deriving from the crisis caused by the pandemic and the inflationary environment with rising interest rates, the GCC Group decided to conduct an exercise to estimate further expected losses on top of the estimates obtained using models with past data. The GCC Group therefore recognised a provision of €75 million because of the potential impact to borrowers in the sectors hardest hit by increase in inflation.

Nevertheless, the GCC Group's risk management techniques and strategies may not be fully effective in mitigating the GCC Group's risk exposure in all economic market environments or against all types of risk, including risks

that the GCC Group fails to identify or anticipate. Some of the GCC Group's qualitative tools and metrics for managing risk are based upon the GCC Group's use of observed historical market behaviour. The GCC Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These qualitative tools and metrics may fail to predict future risk exposures.

Regarding ESG aspects, the GCC Group is exposed to the risk of inaccuracy or incoherence when preparing the necessary information on sustainability, that will be disclosed to the market and stakeholders.

If the judgment, estimates and assumptions the GCC Group uses in preparing its financials, projections and targets are subsequently found to be incorrect, there could be a material effect on its results of operations and a corresponding effect on its funding requirements and capital ratios.

#### **11. *Other operational risks - Third parties and affiliates for products and services***

Third-party providers and certain affiliated companies provide key components of the GCC Group's business infrastructure such as back office and business process support, IT production and support, among others. The main third-party providers whose service could have an impact on the GCC Group's business performance and operations are, among others: the Servicer Haya Real Estate, in charge of the management of non-performing assets; Intermoney as the cover pool monitor of the covered bond programmes, who is responsible for checking the over collateral levels and the issuer's due diligence on the attributes of the assets; Cecabank, responsible for the management of the treasury platform; and Inversis for the asset management.

Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the GCC Group, including with respect to security breaches affecting such parties. The GCC Group is also subject to risk with respect to security breaches affecting the providers and other parties which could be related with them. The GCC Group may be required to take steps to protect the integrity of the operational systems, thereby increasing operational costs and potentially decreasing customer satisfaction.

In addition, any problems caused by these third parties or affiliated companies, including as a result of them not providing the GCC Group with their services for any reason, or performing their services in an inadequate or unsatisfactory way, could adversely affect the ability to deliver products and services to customers and otherwise conduct our business, which could lead to reputational damage and regulatory investigations and intervention. Replacing these third-party providers could also result in significant delays and expenses.

#### **Risk Factors relating to Reputational Risk**

#### **12. *Any damage or failure to maintain the GCC Group's reputation and its brand may adversely affect its business prospects***

Reputational risk can be defined as that arising from the negative perception of the GCC Group by the various stakeholders with which it relates or by public opinion, which could cause an adverse impact on the capital, liquidity, on the results or the development of the businesses making up its activity. It is a risk which arises from the materialisation of other risks. Legal, economic, financial, operational, ethical, social and environmental factors may influence in reputational risk and could cause a loss of confidence in an institution.

The Issuers believe the success of the GCC Group depends in part on establishing and maintaining a widely recognised brand with a favourable reputation. Harm to the GCC Group's reputation can arise from numerous sources, including, among others, employee misconduct, litigation or regulatory outcomes, failure to deliver minimum standards of service and quality, compliance failures, unethical behaviour, the failure to adequately address, or the perceived failure to adequately address, conflicts of interest, actions by the financial services industry generally or by certain members, actions of strategic alliance partners, including the misconduct or fraudulent actions of such partners and the activities of customers and counterparties.

In particular, this issue is especially relevant nowadays with the increasing requirements of transparency applicable to financial entities regarding ESG aspects. The Issuers are exposed to reputational risk or economic loss resulting from the failure to integrate ESG aspects in the strategy, performance and business of the GCC Group.



If the GCC Group is not able to maintain and enhance its brand, and to comply with the strategy and goals stated to market and stakeholders, its ability to grow may be impaired and the GCC Group's business and operating results may be harmed.

### **Risk Factors related to the Group's Business Model**

#### **13. *Increasingly onerous capital and eligible liabilities requirements constitute one of the Group's main regulatory challenges***

The financial services industry is among the most highly regulated industries in the world. The wide range of recent actions or current proposals includes, among others, provisions for more stringent regulatory capital and liquidity standards, restrictions on compensation practices, special bank levies and financial transaction taxes, recovery and resolution powers to intervene in a crisis including "bail-in" of creditors, separation of certain businesses from deposit taking, stress testing and capital planning regimes, heightened reporting requirements and reforms of derivatives, other financial instruments, investment products and market infrastructures. In addition, the new institutional structure in Europe for supervision, with the creation of the single supervisory mechanism (the "**SSM**"), and for resolution, with the new single resolution mechanism (the "**SRM**"), could lead to changes in the near future.

The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations, and the regulations to develop them, are still ongoing. As a result of the increased level of government and regulatory intervention in the banking sector, the GCC Group is now facing a significant increase in compliance costs.

In 2011, the framework known as Basel III, which is a full set of reform measures to strengthen the regulation, supervision and risk management of the banking sector, was introduced (see "*Capital, liquidity and funding requirements and loss absorbing powers*"). This framework to boost the banking sector's ability to absorb impacts caused by financial and economic stress, improve risk management and corporate governance, and improve banking transparency and disclosures. Concerning capital, Basel III redefined available capital at financial institutions (including new deductions and raising the requirements for eligible equity instruments), tightened the minimum capital requirements, compelled financial institutions to operate permanently with surplus capital (capital "buffers"), and included new requirements for the risks considered. The EU began implementing the Basel III capital reforms through Directive 2013/36/EU of the European Parliament and of the Council of 26 June on access to the activity of credit institutions the prudential supervision of credit institutions and investment firms, as amended or replaced from time to time (the "**CRD IV Directive**"). The core regulation regarding the solvency of credit entities is Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June on prudential requirements for credit institutions, as amended or replaced from time to time (the "**CRR**").

Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 ("**CRR II**") and Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 ("**CRD V Directive**") amended CRR and CRD IV Directive as regards the leverage ratio (binding leverage ratio at 3% of their risk-weighted assets), the introduction of a net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk (revised market risk framework – FRTB), exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.

Financial institutions are required to hold a minimum amount of regulatory capital of 8% of risk-weighted assets, of which at least 4.50% of risk-weighted assets must be CET1 capital and at least 6% of risk-weighted assets must be Tier 1 capital (the "**minimum Pillar 1 capital requirements**").

Due to the authorisation received in June 2014 from the Bank of Spain recognising the GCC Group as an institutional protection scheme (*sistema institucional de protección*) ("**IPS**") under Spanish law (the "**GCC IPS**"), the obligation of the Members to comply on an individual basis with the application of the requirements set out in Parts Two to Eight of the CRR has been waived in accordance with Article 10 of such Regulation. This exemption applies to BCC and to each of the 18 other Members of the GCC Group (including Cajamar). Consequently, the GCC Group only must comply with the minimum capital requirements on a consolidated basis.

Council Regulation (EU) No 1024/2013, of 15 October 2013 (the "**SSM Regulation**") confers specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions and also contemplates that in addition to the minimum Pillar 1 capital requirements, supervisory authorities may impose further Pillar 2

capital requirements to cover other risks. The ECB is required under the SSM Regulation to carry out a supervisory review and evaluation process (the "**SREP**") at least on an annual basis.

On 1 December 2023, BCC announced through an inside information notice (*comunicación de información privilegiada*) that it had received from the ECB the capital prudential requirements applicable to the financial year 2024 based on the results of the latest SREP. The ECB required the GCC Group to maintain, on a consolidated basis from 1 January 2024, the same prudential requirements that had been required to that date, consisting of a phased-in Total Capital ratio of 13%, enforceable from that same date, including the minimum Pillar 1 requirement of 8%, the Pillar 2 requirement of 2.50% and a capital conservation buffer of 2.50%. These requirements involve the maintenance of a phased-in CET1 ratio of 8.41%, which includes the minimum required by Pillar 1 (4.50%), the requirements of Pillar 2 (1.41%) and the capital conservation buffer (2.50%). The current capital ratios of the GCC Group are above the requirements that are applicable from 1 January 2024.

As of 31 December 2023, the GCC Group's phased-in CET1 ratio stood at 13.64% (13.50% as of 31 December 2022) and the phased-in Total Capital ratio stood at 16.00% (15.91% as of 31 December 2022), above the supervisor's requirements at that date. At 31 December 2023 the fully loaded CET1 ratio stood at 13.56% (13.25% as of 31 December 2022) and the fully-loaded Total Capital ratio stood at 15.92% (15.67% as of 31 December 2022).

However, there can be no assurance that the total capital requirements (minimum Pillar 1 capital requirements 1 plus Pillar 2 requirements plus combined buffer requirement) imposed on the GCC Group from time to time may not be higher than the levels of capital available at such point in time. There can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further Pillar 2 additional own funds requirements on the GCC Group.

BCC has not been classified as a global systemically important institutions ("**G-SIB**") or as a domestic systemically important bank ("**D-SIB**") during 2023 nor in 2024 and therefore it will not be required to maintain the G-SIB buffer or a D-SIB buffer during this period. However, no assurance can be given that BCC will not be designated a G-SIB or a D-SIB in the future.

As at the date of this Base Prospectus, BCC is only required to maintain the capital conservation buffer (2.50% of risk-weighted assets in 2023 which is the maximum limit established in the CRR) and the countercyclical capital buffer (0% for the second quarter of 2024). Some or all the other buffers may also apply to the GCC Group from time to time as determined by the Bank of Spain, the ECB or any other competent authority. For example, on 16 May 2024 and as described in the section "*Capital, liquidity and funding requirements and loss absorbing powers*", the Bank of Spain announced its intention to increase the countercyclical capital buffer applicable to credit exposures in Spain from 0% to 1% (0.5% from the fourth quarter of 2024 and 0.5% from the fourth quarter of 2025 (applicable in the fourth quarter of 2025 and 2026, respectively)). Despite this announcement, the Bank of Spain may change or reverse the planned actions for circumstances that as of the date of this Base Prospectus are uncertain and are beyond the GCC Group's control. However, if the countercyclical capital buffer is finally set at 1%, this is expected to require the GCC Group to maintain higher capital ratios, including a higher CET1 ratio.

Any failure by the GCC Group to maintain its minimum Pillar 1 capital requirements, any Pillar 2 additional own funds requirements and/or any combined buffer requirement could result in administrative actions or sanctions, which, in turn, may have a material adverse effect on the GCC Group's results of operations. In particular, any failure to maintain any additional capital requirements pursuant to the Pillar 2 framework or any other capital requirements to which the GCC Group is or becomes subject (including the combined buffer requirement), may result in the imposition of restrictions or prohibitions on discretionary payments. In addition, any failure by the GCC Group to comply with its regulatory capital requirements could also result in the imposition of further Pillar 2 requirements and the adoption of any early intervention or, ultimately, resolution measures by resolution authorities.

With regard to leverage, the CRR also includes a requirement for institutions to calculate a leverage ratio ("**LR**"), report it to their supervisors and to disclose it publicly from 1 January 2015 onwards. As of 31 December 2023, the GCC Group's LR (fully loaded) was 5.36% (5.31% as of 31 December 2022).

In addition to the minimum capital requirements, banks shall hold a minimum level of own funds and eligible liabilities in relation to total liabilities and own funds (known as "**MREL**"). In March 2024, BCC released the MREL requirements communicated by the resolution authority. According to the notification from the Single

Resolution Board ("**SRB**"), BCC must reach a consolidated MREL of 20.49% and 5.36% in terms of Total Risk Exposure Amount ("**TREA**") and Leverage Ratio Exposure ("**LRE**"), respectively, as of 1 January 2025 and an interim MREL requirement of 14.03% and 5.31% in terms of TREA and LRE, respectively, from 1 January 2022. These ratios do not include 2.50% of the Combined Buffer Requirement. The SRB has calculated these requirements taking into account financial and prudential information available as of 31 December 2022. BCC has not been communicated any subordination requirement. These MREL requirements are aligned with the GCC Group's forecasts, and its consecution is contemplated in its funding plan. The SRB determines the MREL requirements based on current legislation; therefore, the requirements can be modified following changes in legislation or new estimations by the resolution authorities.

Any failure by an institution to meet the applicable minimum MREL requirements is intended to be treated similarly as a failure to meet minimum regulatory capital requirements, where resolution authorities must ensure that they intervene and place an institution into resolution sufficiently early if it is deemed to be failing or likely to fail and there is no reasonable prospect of recovery.

Although BCC has not been classified as a G-SIB by the Financial Stability Board ("**FSB**") and, thus, in principle, Total Loss-Absorbing Capacity ("**TLAC**") should not apply to it, it cannot be disregarded that in future TLAC requirements may apply to the GCC Group in addition to other capital requirements either because TLAC requirements are adopted and implemented in Spain and extended to non-G-SIBs through the imposition of similar MREL requirements or otherwise.

On 15 March 2018, the ECB published its supervisory expectations on prudent levels of provision for NPLs. The document was published as a subsequent addendum (the "**Addendum**") to the ECB's guidance on non-performing loans for credit institutions of 20 March 2017. The ECB states that it will assess any differences between banks' practices and the prudential provisioning expectations laid out in the Addendum at least annually and will link the supervisory expectations in this Addendum to new NPLs classified as such from 1 April 2018 onwards. In addition, banks will therefore be asked to inform the ECB of any differences between their practices and the prudential provisioning expectations, as part of the SREP supervisory dialogue, as from early 2021. This could ultimately result in the ECB requiring banks to apply specific adjustments to their net worth calculations when the accounting treatment applied by the bank is not considered prudent from a supervisory perspective which, in turn, could have an impact on the banks' capital position.

In August 2019 the ECB revised its supervisory expectations for prudential provisioning for new NPLs, in view of the complementary EU regulations, though it added that the rules for the stock of NPLs stayed intact. The timeline became more flexible for new NPLs provisioning (only applicable for NPLs originated before 26 April 2019), with time frame/exposure types now aligned with the new EU rules which are more relaxed. The NPL provisioning timeline would be implemented in 9 years instead of 7 years for secured loans in order to achieve 100% coverage (for unsecured loans it would continue to be a 2-year timeline). This meant more consistency and non-overlapping rules for new NPLs implying better alignment between ECB and the EU.

In light of the above, it should not be disregarded that new and more demanding additional capital requirements may be applied in the future.

See "*Capital, liquidity and funding requirements and loss absorbing powers*" for further information.

#### **14. The access to equity by BCC may be limited**

As referred to above, due to the authorisation received in June 2014 from the Bank of Spain recognising the GCC Group as an IPS, the obligation of Members of the GCC Group to comply on an individual basis with the application of the capital requirements under CRR has been waived in accordance with Article 10 of such Regulation. This exemption applies to BCC and to each of the 18 other Members of the GCC Group, including Cajamar. Consequently, the GCC Group only must comply with the minimum capital requirements previously defined on a consolidated basis.

BCC is the parent entity of the GCC Group and the Members have delegated to BCC, in its role as the controlling and decision-making entity, all responsibilities in relation to management policies, consolidation of accounts, formulation of business strategy, and ensuring the solvency, liquidity and regulatory compliance of all Members. If a Member needs to recapitalise, it may propose a recapitalisation plan consisting of either an issue of equity instruments or the partial assignment of assets to one or more other Members or a combination of these two measures. Any such recapitalisation plan would require the approval of BCC.

Given that BCC is not a listed company, its access to the capital markets to raise capital may be limited when needed.

**15. *The GCC Group faces increasing consolidation of the competition in its business lines and the introduction of potentially disruptive new competitors which may adversely affect the results of operations of the GCC Group***

The banking sector in Spain is highly competitive. Financial sector reforms have increased competition among both local and foreign financial institutions, and the Issuer believes that this trend will continue. In addition, the trend towards consolidation in the banking industry has created larger and stronger banks with which it must now compete, some of which have recently received public capital.

The Spanish banking sector has experienced a phase of particularly fierce competition, as a result of: (i) the implementation of directives intended to liberalise the EU's banking sector; (ii) the deregulation of the banking sector throughout the EU, especially in Spain, which has encouraged competition in traditional banking services, resulting in a gradual reduction in the spread between interest income and interest expense; (iii) the focus of the Spanish banking sector upon fee revenues, which means greater competition in asset management, corporate banking, and investment banking; (iv) changes to certain Spanish tax and banking laws; and (v) the development of services with a large technological component, such as internet, phone and mobile banking. In particular, financial sector reforms in the markets in which the GCC Group operates have increased competition among both local and foreign financial institutions. There has also been significant consolidation in the Spanish banking industry which has created larger and stronger banks with which the GCC Group must now compete. This trend is expected to continue as the Bank of Spain continues to impose measures aimed at restructuring the Spanish financial sector, including requirements that smaller, non-viable regional banks consolidate into larger, more solvent and competitive entities, and reducing overcapacity.

The GCC Group also faces competition from non-bank financial institutions and other entities, such as leasing companies, mutual funds, pension funds and insurance companies and, to a lesser extent, department stores (for some consumer finance products) and car dealers. In addition, the GCC Group faces competition from shadow banking entities that operate outside the regulated banking system as well as from tech companies such as Amazon, Google and Apple and fintech companies. Furthermore, "crowdfunding" and other social media developments in finance are expected to become more popular as technology further continues to connect society. The GCC Group cannot be certain that this competition will not adversely affect its competitive position.

The GCC Group also faces increased pressure to meet rising customer demands to provide new banking products. There is no guarantee that the GCC Group's management and employees will succeed in adopting new work methods and approaches to customer service that will keep up with the pace of change in the current banking environment, which may adversely affect its ability to successfully compete in its primary markets.

If the GCC Group fails to implement strategies to maintain or enhance its competitive position relative to these improved banking institutions, the GCC Group's market share may deteriorate and this may have a material adverse effect on its business, financial condition, results of operations and prospects.

**16. *The GCC Group may generate lower revenues from brokerage and other commissions and fee-based operations. This could also affect the value of its portfolio***

Net fee and commission income represented 20.39% of the GCC Group's gross income for 31 December 2023 and 24.68% for 31 December 2022 and is an important part of its overall profitability.

Reduced fee and commission income from the GCC Group's commercial banking activities, due for example to commercial pressure such as competition from other financial institutions, court decisions, weak performance of foreign exchange markets or other financial markets or underperformance (compared to certain benchmarks or the GCC Group's competitors) by funds or accounts that the GCC Group manages or investment products that it sells, or declines in portfolio values due to adverse market conditions and increased client perceptions of risk from financial markets may have an adverse effect on its business, financial condition, results of operations and prospects.

In an environment of economic recession and with the consequent impact on financial markets, the asset management business was affected, which implied an impact on reduction in fees resulting from the commercialisation of funds. Asset under management amounted to €8,235 million as of 31 December 2023,

increasing by 27.75% on a year-on-year basis. In the future, these inflows will depend on the evolution and the volatility of the financial markets and customers' confidence.

Regarding the consumer lending business, managed through the subsidiary GCC Consumo E.F.C, it may also be affected by the decrease in commission generation due to the slowdown in this type of product commercialisation.

The above could also affect the value of the investment of the GCC Group in Cajamar Vida S.A Seguros y Reaseguros, due to the actuarial risk that affects the value and performance of insurance and pension products and that could be reduced.

#### **17. The GCC Group's admittance of new members may expose it to risks**

The GCC Group allocates management and planning resources of BCC to develop strategic plans for organic growth. BCC is also open to inorganic growth by evaluating applications from credit cooperatives if it believes they could offer additional value to its Members and are consistent with its business strategy. The GCC Group's ability to benefit from any such acquisitions will depend in part on its successful integration of those entities. The GCC Group can give no assurances that its expectations with regards to integration and synergies will materialise. The GCC Group also cannot provide assurance that it will, in all cases, be able to manage the GCC Group's growth effectively or deliver its strategic growth objectives.

Challenges that may result from its strategic growth decisions and admitting new credit cooperatives into the GCC Group include its ability to manage efficiently the operations and employees of all Members of the GCC Group, maintain or grow its existing customer base, assess the value, strengths and weaknesses of investment or new member credit cooperatives, finance strategic investments, fully integrate strategic investments or new credit cooperatives in line with its strategy, align its current information technology systems adequately with those of an enlarged GCC Group, apply its risk management policy effectively to an enlarged GCC Group, and manage a growing number of Members without over-committing management or losing key personnel. Likewise, upon accepting the application of a credit cooperative into the GCC Group, despite the legal and business due diligence processes conducted in respect of such credit cooperatives in connection with their application, the GCC Group may subsequently uncover information that was not known to the GCC Group.

Any failure to manage growth of the GCC Group effectively, including relating to any or all of the above challenges, could have a material adverse effect on its operating results, financial condition and prospects. Furthermore, the operational integration of entities which the GCC Group may admit as members could prove to be difficult and complex, and the benefits and synergies obtained from that integration may not be in line with expectations.

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

#### **RISKS RELATING TO THE SECURITIES**

##### **Risks related to the structure of a particular issue of Securities**

A range of Securities may be issued under the Programme. A number of these Securities 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 Securities:

***The Securities may be redeemed prior to maturity, subject to certain conditions. If the relevant Issuer has the right to redeem any Securities at its option, this may limit the market value of the Securities concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return***

If so specified in the Final Terms, the Securities may be redeemed prior to maturity at the relevant Issuer's option, as further described in Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) of the Conditions of the Notes and Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) of the Conditions of the Covered Bonds.

In addition, if the relevant Issuer would be obliged to increase the amounts payable in respect of any Securities due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the

Kingdom of Spain or any political subdivision thereof or any authority therein having power to tax (a "**Tax Jurisdiction**"), such Issuer may, at its option, redeem all outstanding Securities in whole, but not in part, in accordance with the Conditions of the Notes or the Conditions of the Covered Bonds, as applicable. The Notes may be also redeemed for taxation reasons if (i) the relevant 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 next Interest Payment Date or the value of such deduction to such Issuer would be materially reduced or (ii) if the applicable tax treatment of the Notes is materially affected. In each case, the relevant Issuer may only redeem such Securities 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 Spain or any political subdivision or any authority thereof or therein having power to tax, 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 of issue of the first Tranche of the Securities and, in the case of MREL Eligible Ordinary Senior Notes, Senior Non Preferred Notes and Subordinated Notes subject to such redemption being permitted by the Applicable Banking Regulations (including for the avoidance of doubt, the Applicable MREL Regulations) and taking place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77, 78 and 78a of the CRR, where applicable) in force at the relevant time and subject to the prior permission of the Competent Authority and/or Relevant Resolution Authority, if and as applicable (if such permission is required), as further described in Condition 8.2 (*Redemption for tax reasons*) of the Conditions of the Notes.

Moreover, if the applicable Final Terms specify that "Clean-Up Redemption at the Option of the Issuer" is applicable to the Securities, the relevant Issuer may have the option to redeem (in whole but not in part) a specific Series of Securities if a specific percentage, as stated in the applicable Final Terms, of the initial aggregate nominal amount of the Securities of such Series has been previously redeemed or purchased by, or on behalf of, the relevant Issuer and cancelled, as further described in Condition 8.6 (*Clean-Up Redemption at the Option of the Issuer*) of the Conditions of the Notes and Condition 7.4 (*Clean-Up Redemption at the Option of the Issuer*) of the Conditions of the Covered Bonds.

Furthermore and to the extent specified in the applicable Notes Final Terms, (i) if a Capital Event occurs, the relevant Issuer may redeem all, and not some only, of any Series of Tier 2 Subordinated Notes subject to such redemption being permitted by the Applicable Banking Regulations and taking place in accordance with Applicable Banking Regulations (including, without limitation in accordance with Articles 77 and 78 of the CRR, where applicable) in force at the relevant time and subject to the prior permission of the Competent Authority and/or Relevant Resolution Authority, if and as applicable (if such permission is required), as further described in Condition 8.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*) and (ii) if an Eligible Liabilities Event occurs, MREL Eligible Ordinary Senior Notes, Senior Non Preferred Notes, Senior Subordinated Notes and Tier 2 Subordinated Notes may be redeemed at the option of the relevant 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) and taking place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77, 78 and 78a of the CRR, where applicable) in force at the relevant time, and subject to the prior permission of the Competent Authority and/or Relevant Resolution Authority, if and as applicable (if such permission is required), as further described in Condition 8.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Senior Subordinated Notes or Senior Notes*). It is not possible to predict whether any of the events referred to above will occur and so lead to the circumstances in which the relevant Issuer is able to elect to redeem the Securities, and if so whether or not the relevant Issuer will elect to exercise such option to redeem the Securities or, in the case where any prior permission of the Competent Authority 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, Holders will be able to reinvest the proceeds at a rate that is equal to the return on the Securities.

Any optional redemption feature is likely to limit the market value of the Securities. During any period when the relevant Issuer may elect to redeem Securities, or during which there is an actual or perceived increased likelihood that the relevant Issuer may elect to redeem the Securities, the market value of those Securities 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 Securities may become eligible for redemption in the near term.

The relevant Issuer may redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. 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 Securities 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.

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

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

**Risks relating to Floating Rate Securities**

Investment in Securities 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 Securities but there will be a periodic adjustment (as specified in the applicable 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 Securities 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 Securities 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.

***Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.***

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Securities linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, 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" which can 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. In addition, on 11 May 2021, the working group on Euro risk-free rates published the recommendations to address events that would trigger fallbacks in the EURIBOR-related contracts, along with the €STR-based EURIBOR fallback rates (rates that could be used if a fallback is triggered). On 4 December 2023, the working group issued its final statement, announcing completion of its mandate.

While there is no plan to discontinue EURIBOR, 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. In fact, on

November 2022 the EMMI, as administrator of EURIBOR, launched a forward-looking term rate EFTERM as alternative to and as a new fallback rate for EURIBOR.

The elimination of EURIBOR or the elimination of any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Securities linked to such benchmark (including Floating Rate Securities whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities (including the Securities) based on the same benchmark.

The Conditions of the Securities provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Securities. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Securities may not achieve this objective. Any such changes may result in the Securities performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes or Floating Rate Covered Bonds (together, the "**Floating Rate Securities**") based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

In addition, the EU Benchmarks Regulation was amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 which introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks (such as EURIBOR) by conferring the power to designate a statutory replacement for said benchmarks on the Commission or the relevant national authority in certain circumstances, such replacement being limited to contracts and financial instruments (such as certain Securities) which contain no fallback provision or no suitable fallback provisions and where certain trigger events relating to non-representativeness or cessation or wind down of the benchmark are met. In general, parties can opt out of the statutory replacement where all parties, or the required majority of parties, to a contract or financial instrument have agreed to apply a different replacement for a benchmark before or after entry into force of the implementing act. A statutory replacement benchmark could have a negative impact on the value or liquidity of, and return on, certain Securities linked to or referencing such benchmark and may not operate as intended at the relevant time or may perform differently from the discontinued or otherwise unavailable benchmark. However, there are still some uncertainties as to the application of these regulatory provisions as implementing acts must be adopted.

Any such consequences could have a material adverse effect on the value of and return on any such Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Securities linked to or referencing a benchmark.

***The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Securities***

The use of risk-free rates - including those such as the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**") and the €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.



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

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

In particular, investors should be aware that several different methodologies have been used in risk-free rate securities issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Securities, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Securities, the trading price of such Securities linked to such risk-free rates may be lower than those of Securities referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Securities which reference SONIA, SOFR, €STR or any related indices.

***Risk-free rates may differ from the inter-bank offered rates in a number of material respects and have a limited history.***

Risk-free rates may differ from the inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Securities. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Securities may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, because risk-free rates are overnight funding rates, interest on Securities which reference such risk-free rate will be calculated on the basis of (a) the arithmetic mean of the relevant risk-free rate over the relevant Interest Period, where the Rate of Interest is fixed for a certain number of days prior to the end of such Interest Period or (b) a compounded risk-free rate (i) in respect of the Interest Period, provided that the risk-free rate used as the basis for calculation is that which was observed a specified number of days prior or (ii) in respect of a period that starts a specified number of days prior to the relevant Interest Period and ends the same specified number of days prior to the end of such Interest Period or (c) calculated by reference to the SOFR Compounded Index or SONIA Compounded Index published by the New York Federal Reserve or the Bank of England, respectively. As a consequence of the calculation methods, the amount of interest payable is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Securities which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Securities, there is a possibility that such amount could be lower than expected and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which could adversely impact the liquidity of such Securities. Further, in contrast to securities linked to interbank offered rates, if Securities referencing backwards-looking rates become due and payable as a result of an Event of Default under

Condition 11 (*Events of Default*) of the Conditions of the Notes, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Securities shall be determined by reference to a shortened period ending immediately prior to the date on which the Securities become due and payable or are scheduled for redemption.

***The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index***

The Bank of England, the Federal Reserve Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Securities will apply). The administrator has no obligation to consider the interests of Holders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

***The application of an amount equal to the net proceeds of Green, Social or Sustainability Securities 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 Securities may provide that it will be the relevant Issuer's intention to apply an amount equal to the net proceeds of the issue of those Securities (as at the date of issuance of such Securities) into Eligible Green Projects, Eligible Social Projects or a combination of both (such Securities being Green, Social or Sustainability Notes or Green, Social or Sustainability Covered Bonds (together, the **"Green, Social or Sustainability Securities"**)), as described in the Sustainable Bond Framework, as the case may be, in each case published on the website of such Issuer (see *"Use of Proceeds"*).

Prospective investors should have regard to the information set out in the Sustainable Bond Framework, as the case may be, and in the applicable Final Terms regarding the use of an amount equal to the net proceeds of those Green, Social or Sustainability Securities and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability Securities together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuers or the Dealers that the use of such proceeds for any Eligible Green Projects, Eligible Social Projects or a combination of both (as described in the applicable Final Terms) 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 whether by any present or future applicable law or regulations, including, among 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 European Commission on 21 April 2021 (jointly, the **"EU Taxonomy Regulation"**) or Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the **"European Green Bond Regulation"**), or any investment portfolio mandates.

Furthermore, it should be noted that there is currently no 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 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.

In addition, the European Green Bond Regulation entered into force on 20 December 2023 and will apply from 21 December 2024. This regulation includes a set of requirements that securities shall comply with in order to be labelled as "European Green Bonds" or "EUGB", in particular the full allocation (before the maturity of any European Green Bond) of the proceeds of such bonds to economic activities aligned with the EU Taxonomy Regulation in accordance with the categories set forth in Article 4 of the European Green Bond Regulation. Additionally, the European Green Bond Regulation establishes specific transparency requirements, with which issuers shall comply with prior and post an issuance of bonds labelled as "European Green Bonds" or "EUGB".

However, as of the date of this Base Prospectus further guidelines shall be developed by the European Commission in relation to the European Green Bond Regulation. Therefore, the requirements of any such label may evolve from time to time. Any Green, Social and Sustainability Securities issued under the Programme will not be compliant with the European Green Bond Regulation and are only intended to comply with the requirements and processes in the Sustainable Bond Framework. It is not clear if the establishment of the "EUGB" label could have an impact on investor demand for, and pricing of, green bonds that do not comply with the requirements of the European Green Bond Regulation, such as the Green, Social and Sustainability Securities issued under this Programme. This could result in reduced liquidity or lower demand or could otherwise affect the market price of any Green, Social and Sustainability Securities issued under this Programme that do not comply with the EU Green Bond Regulation.

No assurance is or can be given to investors that any projects or use(s) the subject of, or related to, any Eligible Green Projects, Eligible Social Projects or a combination of both (as described in the applicable Final Terms) will meet any or all investor expectations or any other requirements regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objectives or requirements of such labels as they may evolve from time to time 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 Green Projects, Eligible Social Projects or a combination of both (as described in the applicable Final Terms).

Moreover, the Sustainable Bond Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from the one in force as of the date of this Base Prospectus.

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 relevant Issuer) which may or may not be made available in connection with the issue of any Green, Social or Sustainability Securities and in particular with any Eligible Green Projects, Eligible Social Projects or a combination of both (as described in the applicable Final Terms) 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 relevant Issuer, the Dealers or any other person to buy, sell or hold any such Green, Social or Sustainability Securities. Any such report, assessment, opinion or certification is only current as of the date it was issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Green, Social or Sustainability Securities. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.

In the event that any Green, Social or Sustainability Securities 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 Issuers, 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. Nor is any representation or assurance given or made by the Issuers, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Green, Social or Sustainability Securities or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green, Social or Sustainability Securities.

While it is the intention of the Issuers to obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in the manner described in each case in the Final Terms and the Sustainable Bond Framework, there is no contractual obligation to do so. There can be no assurance that the relevant project or use(s) the subject of, or related to, any project, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project or that the relevant Issuer can obtain and publish the relevant reports or assessments. Nor can there be any assurance that any Eligible Green Projects, Eligible Social Projects or a combination of both (as described in the Final Terms) will be completed within any specified period or at all, or that the maturity of an Eligible Green Project, Eligible Social Project or a combination of both will match the minimum duration of any such Green, Social or Sustainability Securities or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer.

Any such event or failure to obtain and publish any such reports, assessments, opinions and certifications or a failure of any Securities to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics, or the Securities ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid, will not (i) constitute a breach of or an event of default under the relevant Green, Social or Sustainability Securities or (ii) give rise to any other claim or right (including for the avoidance of doubt, the right to accelerate the Securities) of a holder of such Green, Social or Sustainability Securities against, or any other liability of, the relevant Issuer or (iii) lead to an obligation of the relevant Issuer to redeem or repay such Securities or be a relevant factor for the relevant Issuer in determining whether or not to exercise any optional redemption rights in respect of any Securities, or (iv) affect the regulatory treatment of any Notes as Tier 2 Capital (as defined in the Conditions of the Notes) or eligible liabilities for the purposes of MREL or to comply with MREL Requirements (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 Securities shall not depend on the performance of the relevant project nor have any preferred right against such assets. There will be no segregation of assets and liabilities in respect of the Green, Social and Sustainability Securities and the relevant projects. Consequently, neither payments of principal and/or interest on the Green, Social and Sustainability Securities nor any rights of Holders shall depend on the performance of the relevant projects. Holders of any Green, Social and Sustainability Securities shall have no preferential rights or priority against the assets of any relevant project nor benefit from any arrangements to enhance the performance of the Securities. Finally, as further explained in the section headed "*Capital, liquidity and funding requirements and loss absorbing powers - Loss absorbing powers by the Relevant Resolution Authority under Law 11/2015 and the SRM Regulation*", 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 issued under the Programme (see "*Risks Related to Early Intervention and Resolution*" below).

In the event Green, Social or Sustainability Securities including a right for the Issuers or the Holders to redeem early, the availability of financing for the relevant eligible green, social or sustainable assets or projects will be managed by the relevant Issuer through refinancings and/or the issue of new instruments under its Sustainable Bond Framework.

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 relevant Issuer regardless of their "green", "social" or "sustainable" label and regardless of whether the losses stem from "green", "social" or "sustainable" assets. There will be no arrangement that will enhance the performance of Green, Social or Sustainability Notes. Additionally, their labelling as Green, Social or Sustainability Notes (i) will not affect the regulatory treatment of such Notes as Tier 2 capital or eligible liabilities for the purposes of MREL (as applicable), if such Notes are also Subordinated Notes, Senior Non-Preferred Notes or Ordinary Senior Notes intended to be Eligible Liabilities; and (ii) will not have any impact on their status as indicated in Condition 3 (*Status of the Senior Notes and Subordinated Notes*) of the 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 relevant 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 Securities 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 Securities and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Each prospective investor should have regard to the factors described in the Sustainable Bond Framework and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of any Green, Social or Sustainability Securities before deciding to invest. The Sustainable Bond Framework does not form part of, nor is incorporated by reference, in this Base Prospectus.

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

## Risks related to Securities generally

### *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 income payments 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.

In relation to the above, a distinction needs to be made between Global Notes or Global Covered Bonds (together, the "**Global Securities**") (which are cleared through Euroclear and Clearstream, Luxembourg) and Book-Entry Notes or Book-Entry Covered Bonds (together, the "**Book-Entry Securities**").

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

In accordance with Article 44 of Royal Decree 1065/2007, the Principal Paying Agent should provide the relevant 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 relevant Issuer or the 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 Securities or Coupons otherwise payable to such entity.

Each of the Issuers considers that, according to Royal Decree 1065/2007, any payments under the Securities or Coupons will be made by the relevant Issuer free of Spanish withholding tax, provided that the Simplified Information Procedures described above (which do not require identification of the Holders or Couponholders) are complied with.

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

If the Spanish Tax Authorities maintain a different opinion as to the application by the relevant Issuer of withholding to payments made to Spanish tax residents (individuals and entities subject to Corporate Income Tax (*Impuesto sobre Sociedades*)), the relevant Issuer will be bound by the opinion and, with immediate effect, will make the appropriate withholding. If this is the case, identification of Holders or Couponholders may be required and the procedures, if any, for the collection of relevant information will be applied by the relevant Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as interpreted by the Spanish Tax Authorities. If procedures for the collection of the Holders or Couponholders information are to apply, the Holders or Couponholders will be informed of such new procedures and their implications.

Notwithstanding the above, in the case of Securities or Coupons held by Spanish tax resident individuals and, under certain circumstances, by Spanish entities subject to Corporate Income Tax and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Securities or Coupons may be subject to withholding by such depositary or custodian (currently 19%) and the relevant Issuer will not be required to pay the relevant Holder or Couponholder additional amounts in respect of any such withholding tax.

In particular, with regard to Spanish entities subject to Corporate Income Tax, withholding could be made if it is concluded that the Securities or Coupons do not comply with the relevant exemption requirements and those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 are deemed included among such requirements. According to this ruling, application of the exemption requires that, in addition to being traded on an organised market in an OECD country, the Securities or Coupons are placed outside Spain in another OECD country.

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

(b) *Book-Entry Securities* – According to Article 44.4 of Royal Decree 1065/2007, income derived from securities originally registered with a clearing and settlement entity resident in Spain (such as Iberclear):

(i) For the benefit of a Holder of a Book-Entry Security which is a non-Spanish tax resident investor or a Spanish corporate income tax payer, will not be subject to Spanish withholding tax provided that the Iberclear Members that have their Book-Entry Securities registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems outside Spain that have an agreement with Iberclear, if applicable, submit certain information with respect to the Book-Entry Securities as described under "*Taxation - Simplified information procedures*".

If for any reason the relevant information is not received by the Issuer on a timely manner in respect of a payment of income made for the benefit of a Holder of a Book-Entry Security which is a non-Spanish tax resident investor or a Spanish corporate income tax payer, such payment will be made net of Spanish withholding tax at the then-applicable rate (as at the date of this Base Prospectus, 19%) and the Issuer will not pay any additional amounts with respect to any such withholding

(ii) For the benefit of a Holder of a Book-Entry Security which is an individual tax resident in Spain and subject to Spanish personal income tax, will be paid net of withholding tax at the then-applicable rate (as at the date of this Base Prospectus, 19%) and the Issuer will not pay any additional amounts nor otherwise compensate the Holder in respect of any such withholding.

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and neither the Issuers nor any Dealer, 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 relevant Issuer will notify the Holders of such information procedures and their implications, as the relevant 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.

#### ***Reliance on Euroclear and Clearstream, Luxembourg procedures in relation to Global Securities***

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

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

Holders of beneficial interests in a Global Security will not have a direct right to vote in respect of the Securities. 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 Securities will not have a direct right under such Securities to take enforcement action against the relevant Issuer in the event of a default under the relevant Securities (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 and Covered Bonds, upon Condition 4 (*Direct Rights*) of the Conditions of

the Notes and Condition 4 (*Direct Rights*) of the Conditions of the Covered Bonds, respectively, as well as under the provisions of the relevant Global Securities).

#### ***Reliance on Iberclear procedures in relation to Book-Entry Securities***

Book-Entry Securities issued under the Programme will not be evidenced by any physical note. They will only be represented by book entries in the Spanish Central Securities Depository (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal ("**Iberclear**")) and the Iberclear participants. Holders will be entitled to request as evidence certificates made or issued by Iberclear or Iberclear participants, as the case may be. Ownership of Book-Entry Securities will be recorded and transfer effected only through the book entry system and register maintained by Iberclear.

#### ***Conflicts of interest between the Calculation Agent or the Independent Adviser and Holders***

Potential conflicts of interest may exist between the Calculation Agent (if any) or the Independent Adviser (if eventually appointed) and Holders (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 Conditions of the Securities which may influence the amounts that can be received by the Holders during the term of the Securities and upon their redemption.

The relevant Issuer may appoint a Dealer as Calculation Agent or Independent Adviser in respect of an issuance of Securities under the Programme. In such a case the Calculation Agent and the Independent Adviser are likely to be members of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent and the Independent Adviser will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Holders during the term and on the maturity of the Securities or the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the Holders.

#### ***Risks related to the market generally***

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

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

Securities 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. In addition, liquidity may be limited if the relevant Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Securities 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 relevant Issuer be or be perceived in financial distress, which may result in any sale of the Securities having to be at a substantial discount to their principal amount or for Securities 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 Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

In addition, the ability of the Dealers to make a market in the Securities may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Securities.

#### ***Credit ratings assigned to the Issuers or any Securities may not reflect all the risks associated with an investment in those Securities***

One or more independent credit rating agencies may assign credit ratings to the Issuers or the Securities (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 Securities may be resold prior to maturity (which may be substantially less than the original offering prices of the Securities), and other factors that may affect the value of the Securities. However, real or anticipated changes in the Issuers' credit rating

will generally affect the market value of the Securities. 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 CRA Regulation as it forms part of the UK domestic law by virtue of the EUWA (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.

If the status of the rating agency rating the Securities 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 Securities may have a different regulatory treatment, which may impact the value of the Securities and their liquidity in the secondary market.

## **RISKS APPLICABLE TO THE NOTES**

### **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 provide for limited events of default unless in the case of Ordinary Senior Notes where additional events of default may apply***

Without prejudice to the provisions of the last paragraph below, the Conditions of the Notes do not provide for any events of default, except in the case that an order is made by any competent court or resolution passed for the liquidation (*liquidación*) of the relevant Issuer. Accordingly, in the event that any payment on the Notes is not made when due, each Holder will have a claim only for amounts then due and payable on their relevant Notes but will have no right to accelerate such Notes unless proceedings for the liquidation (*liquidación*) of the relevant Issuer have been instigated, it being therefore understood that the adoption of any early intervention or resolution measure under Law 11/2015 and the SRM Regulation (or a moratorium) or the non performance by the relevant Issuer of its obligations under the Notes will not constitute an event of default.

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

For the avoidance of doubt, the above also applies to Green, Social or Sustainability Notes.



***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 Mid-Swap Rate and the Reset Margin as determined by the Principal Paying Agent or the relevant Local Paying Agent, as applicable, on the relevant Reset Determination Date (each such interest rate, adjusted as necessary, a "**Subsequent Reset Rate**"). The Subsequent Reset Rate for any Reset Period could be less than the Initial Interest Rate or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes.

### **Risks Related to Early Intervention and Resolution**

***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 Holders under, and the value of, any Notes***

As further explained in the section headed "*Capital, liquidity and funding requirements and loss absorbing powers - Loss absorbing powers by the Relevant Resolution Authority under Law 11/2015 and the SRM Regulation*", the Notes may be subject to the bail-in tool (the "**Spanish Bail-in Power**", as defined therein) and, pursuant to the BRRD II (implemented in Spain by means of Royal Decree-Law 7/2021, of 27 April ("**RDL 7/2021**"), which amended Law 11/2015 and Royal Decree 1041/2021, of 23 November ("**RD 1041/2021**"), which amended RD 1012/2015), Law 11/2015 and the SRM Regulation II (each as defined therein), capital instruments (such as the Tier 2 Subordinated Notes) and certain internal eligible liabilities at the point of non-viability of an institution or a group of which the institution forms part may be subject 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 1093/2010 (the "**SRM Regulation**"). Non-Viability Loss Absorption may be imposed prior to or in combination with any exercise of the Spanish Bail-in Power or any other resolution tool or power (where the conditions for resolution referred are met).

BCC is recognised by the Competent Authority as a single point of entry for resolution purposes. In this sense, and since BCC is the parent company of the consolidated GCC Group, the Notes are available to absorb losses of any of the entities within the GCC Group (including Cajamar) and potentially to recapitalise the whole GCC Group (see "*Description of BCC and the GCC Group*").

To the extent that any resulting treatment of a Holder pursuant to the exercise of the Loss Absorbing Power (as defined therein) (except as indicated below with respect to the Non-Viability Loss Absorption) is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, such Holder may have a right to compensation under the BRRD (as implemented in Spain) 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 Holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the affected Notes. In addition, in the case of Non-Viability Loss Absorption effected prior to entry into resolution, there is uncertainty as to whether Holders would have a right to compensation under the BRRD and the SRM Regulation if any resulting treatment of such Holder pursuant to the exercise of Non-Viability Loss Absorption was less favourable than would have been the case under such hierarchy in normal insolvency proceedings.

The powers set out in the BRRD as implemented through Law 11/2015 and 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, Holders may be subject to, among other things, on any application of the Loss Absorbing Power a write-down (including to zero) or conversion into equity or other securities or obligations of amounts due under such Notes. The exercise of any such powers may result in such Holders 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 Holders receiving a different security, which may be worth significantly less than the Notes. Moreover, the exercise of any power under Law 11/2015 or the SRM Regulation 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 Holders, the market price or value or trading behaviour of any Notes and the ability of the relevant Issuer to satisfy its obligations under any Notes. There may be limited protections, if any, that will be available to holders of securities subject to the Loss Absorbing Power (including the Notes) of the Relevant Resolution Authority. Accordingly, Holders may have limited or circumscribed rights to challenge any decision of the Relevant Resolution Authority to exercise its Loss Absorbing Power. Furthermore, the exercise of the Loss Absorbing Power 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 relevant Issuer's control. In addition, as the Relevant Resolution Authority will retain an element of discretion, Holders may not be able to refer to publicly available criteria in order to anticipate any potential exercise of any such Loss Absorbing Power. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any such powers by the Relevant Resolution Authority may occur, how any such powers may be exercised or what the results of such exercise may be.

Uncertainty surrounding the exercise of these powers, as well as the actual exercise thereof, 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 or the SRM Regulation (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 Holders.

Any application of the Non-Viability Loss Absorption shall be in accordance with the hierarchy of claims in normal insolvency proceedings (unless otherwise provided by Applicable Banking Regulations). Accordingly, the impact of such application on Holders will depend on the ranking of the relevant Notes in accordance with such hierarchy, including any priority given to other creditors such as depositors. In addition to the BRRD, it is possible that the implementation and application of other amendments and relevant laws, such as the European Commission's legislative proposal adopted on 18 April 2023 to update the existing EU's bank crisis management and deposit insurance framework (the "**CMDI Proposal**"), consisting of proposals to amend, *inter alia*, the BRRD and the SRM Regulation and adopt a general depositor preference in insolvency (see "*Risks applicable to Senior Notes – Claims of Holders under Senior Notes are effectively junior to those of certain other creditors and claims of Holders under Senior Non Preferred Notes are further junior to those of other senior creditors*" and "*Capital, liquidity and funding requirements and loss absorbing powers*"), could impact upon any application of the Spanish Bail-in Power, as such application is to be carried out in the order of the hierarchy of claims in normal insolvency proceedings. Accordingly, if the CMDI Proposal is implemented as proposed and following any such amendment of the insolvency laws of Spain to establish a general depositor preference, the Senior Notes (including the Ordinary Senior Notes) will rank junior to the claims of all depositors, including deposits of large corporates and other deposits that currently are not considered privileged claims. Accordingly, any resulting write-down or conversion of the Senior Notes (including Ordinary Senior Notes) by the Relevant Resolution Authority would be carried out before any write-down or conversion of the claims of depositors such as those of large corporates that previously would have been written-down or converted alongside the Ordinary Senior Notes. By removing the requirement for such deposits to be written-down or converted in this manner, one of the stated objectives of the CMDI Proposal is to reduce the likelihood of deposits generally needing to be included in any such write-down or conversion upon any application of the Spanish Bail-in Power and improve the process for the application of the Spanish Bail-in Power. However, this may have the corresponding impact of increasing the likelihood of any write-down or conversion of the Senior Notes (including Ordinary Senior Notes).

Other similar regulatory proposals, including proposals by the FSB on cross-border recognition of resolution actions, could have an impact on the application of the Spanish Bail-in Powers or any other resolution tool or power. Any actions by the Relevant Resolution Authority pursuant to Law 11/2015, or the SRM Regulation, or other measures or proposals relating to the resolution of institutions, may adversely affect the rights of Holders, the price or value of an investment in the Notes and/or BCC's ability to satisfy its obligations under the Notes.

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

The relevant Issuer may be subject to a procedure of early intervention or resolution pursuant to the BRRD, as implemented through Law 11/2015 and RD 1012/2015, and the SRM Regulation if the relevant Issuer and/or the GCC Group 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 the conditions for resolution referred to above are met (see "*Risks Related to Early Intervention and Resolution – 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 Holders under, and the value of, any Notes").*

Pursuant to Law 11/2015 the adoption of any early intervention or resolution procedure, including any additional measures to address or remove impediments to resolvability that may be included in Law 11/2015 (or otherwise) as a consequence of the EU Banking Reforms, shall not itself constitute an event of default or entitle any counterparty of the relevant 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 Holder 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, as implemented through 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 – 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 Holders 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 Holders, the price or value of their investment in the Notes and/or the ability of the relevant 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**

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

The obligations of the relevant Issuer in respect of principal under Senior Notes are unsubordinated and unsecured obligations (*créditos ordinarios*) of the relevant Issuer. Upon the insolvency (*concurso*) of the relevant 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 relevant Issuer under the Senior Notes in respect of principal (and unless they qualify as subordinated obligations (*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 Conditions of the Notes) and (B) any claims against the relevant Issuer qualifying as subordinated obligations (*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 Conditions of the Notes); and (b) in the case of Senior Non Preferred Notes: (i) senior to any claims against the relevant Issuer qualifying as subordinated obligations (*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 privileged obligations (*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 unsubordinated and unsecured obligations (*créditos ordinarios*). In addition, Senior Non Preferred Notes rank behind any other unsubordinated and unsecured obligations (*créditos ordinarios*) of the relevant Issuer, including without limitation, the relevant Issuer's Senior Preferred Obligations.

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

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

The Senior Notes are also structurally subordinated to all indebtedness of subsidiaries of the relevant Issuer insofar as any right of the relevant 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.

Holders of Senior Notes currently rank *pari passu* with depositors of the relevant Issuer (other than in respect of preferred and covered deposits). However, the CMDI Proposal includes, among other things, the amendment of the ranking of claims in insolvency to provide for a general depositor preference, pursuant to which the insolvency laws of Member States would be required by the BRRD to extend the legal preference of claims in respect of deposits relative to ordinary unsecured claims to all deposits. The implementation of this proposal is subject to further legislative procedures but if it is implemented in its current form, this would mean that the Senior Notes (including Ordinary Senior Notes) will rank junior to the claims of all depositors, including deposits of large corporates and other deposits that are currently excluded from the above privileged claims. The proposal, if implemented, may also lead to a rating downgrade for Senior Notes. Nevertheless, the exact impact of the CMDI Proposal is not yet known given it is still in the form of a legislative proposal and therefore subject to further amendments (See "*Risks Related to Early Intervention and Resolution – 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 Holders under, and the value of, any Notes*" and "*Capital, liquidity and funding requirements and loss absorbing powers*").

### **Risks applicable to Subordinated Notes**

#### ***An investor in Subordinated Notes assumes an enhanced risk of loss in the event of insolvency or resolution***

The relevant Issuer's obligations under Subordinated Notes will be unsecured and subordinated obligations (*créditos subordinados*) of such Issuer and will rank junior in priority of payment to all unsubordinated and unsecured obligations (*créditos ordinarios*) of such Issuer (including any Senior Non Preferred Obligations (as defined in the Conditions of the Notes)). 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 its investment should the relevant 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 (and, 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, which is described in the section headed "*Capital, liquidity and funding requirements and loss absorbing powers - Loss absorbing powers by the Relevant Resolution Authority under Law 11/2015 and the SRM Regulation*", will apply.

Tier 2 Subordinated Notes may be subject to Non-Viability Loss Absorption, which may be imposed prior to any insolvency or formal resolution procedure being initiated and prior to or in combination with any exercise of the Spanish Bail-in Power. See "*Risks Related to Early Intervention and Resolution - 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 Holders under, and the value of, any Notes*".

In an insolvency, after payment in full of unsubordinated and unsecured obligations (*créditos ordinarios*), (including any unsubordinated and unsecured non-preferred obligations (*créditos ordinarios no preferentes*)) but before distributions to shareholders, under article 281.1 of the Insolvency Law read in conjunction with Additional Provision 14.3 of Law 11/2015 (as amended by RDL 7/2021), the relevant Issuer will meet subordinated obligations in the following order and pro-rata within each class:

- (i) late or incorrect claims;
- (ii) contractually subordinated obligations (*créditos subordinados*) (except for obligations under instruments that constitute Additional Tier 1 Instruments or Tier 2 Instruments), which is expected to be the case for Senior Subordinated Notes);
- (iii) interest (including accrued and unpaid interest due on Senior Notes and Senior Subordinated Notes);

- (iv) fines;
- (v) claims of creditors which are specially related to the relevant Issuer as provided for under the Insolvency Law;
- (vi) detrimental claims against the relevant Issuer where a Spanish court has determined that the relevant creditor has acted in bad faith (*rescisión concursal*);
- (vii) credits deriving from contracts with reciprocal obligations corresponding to the relevant Issuer's counterparty, or to the creditor, in case of restatement of financial 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;
- (viii) subordinated obligations (*créditos subordinados*) of the Issuer under instruments that constitute Tier 2 Instruments;
- (ix) subordinated obligations (*créditos subordinados*) of the Issuer under instruments that constitute Additional Tier 1 Instruments.

Pursuant to Additional Provision 14.3 of Law 11/2015, as amended by Royal Decree-law 7/2021, of 27 April, all claims arising from Tier 2 Instruments (which is expected to be the case for Tier 2 Subordinated Notes) and Additional Tier 1 Instruments, even if they are only partly recognised as Tier 2 Instruments or Additional Tier 1 Instruments (as applicable), will rank behind any other subordinated obligations included under article 281.1 of the Insolvency Law and will be paid after them. As a result, all claims arising from Tier 2 Instruments (which is expected to be the case for Tier 2 Subordinated Notes) and Additional Tier 1 Instruments will rank behind all claims listed under (i) to (vii) above. However, it is uncertain how the principal and any accrued and unpaid interest due on the Tier 2 Instruments and Additional Tier 1 Instruments will rank among them and the order in which they will be paid.

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

## **Risks Relating to the Insolvency Law**

### ***Impact of the Insolvency Law on the ranking of the Notes***

The Insolvency Law was amended by Law 16/2022, of 5 September (*Ley 16/2022, de 5 de septiembre, de reforma del texto refundido de la Ley Concursal*) with the aim of implementing the restructuring framework required by Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency). Pursuant to Article 583 of the Insolvency Law, credit institutions are not able to file restructuring plans.

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 in the Spanish Official Gazette, (ii) provisions in a contract granting one party the right to suspend or modify the obligations or terminate the contract by reason only of the other's insolvency declaration or opening of the liquidation phase 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. Any accrued but unpaid interest in respect of debt securities (other than Tier 2 Instruments and Additional Tier 1 Instruments) as of the commencement of any insolvency procedure shall constitute subordinated claims (*créditos subordinados*) in accordance with the provisions of Article 281.1.3° of the Insolvency Law. In the case of secured ordinary interest, (i) claims for such interest shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (ii) interest shall keep accruing after the declaration of insolvency up to the secured amount and the value effectively covered by the relevant security, 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 (in accordance with the Supreme Court judgment dated 20 February 2019). In the case of secured default interest, (i) claims for such interest accrued prior to the insolvency declaration shall be deemed as specially privileged up to the secured amount and the value effectively covered by the relevant security, and

(ii) such interest shall not accrue after the declaration of insolvency in accordance with Article 152 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 among others, be written down or stayed (for up to 10 years in case of composition proposals), converted into a different financial instrument or equity of the refinanced or insolvent debtor as well as any other company, converted into participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), (i) to the extent that certain qualified majorities are achieved and (ii) unless some exceptions in relation to the kind of claims or creditor apply (which would not be the case for the Notes).

The majorities regime envisaged for these purposes also depends on (i) the type of the specific restructuring measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.), and (ii) on the part of claims to be affected (i.e., secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law).

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 by the relevant majorities. For these purposes, liabilities held by those creditors considered specially related persons (*personas especialmente relacionadas*) with the insolvent debtor would not be taken into account for the purposes of calculating the majorities required for the approval of a composition agreement.

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the relevant Issuer or in case of approval of a restructuring plan.

#### ***The claims of Holders of the Notes rank after the claims of Holders of Covered Bonds***

The assets included in the relevant Cover Pool for each Series of Covered Bonds are mandatorily segregable in case of insolvency (*concurso*) of the relevant Issuer and, if segregated, they will not form part of the relevant Issuer's insolvency estate (*masa del concurso*) until the claims of Holders of Covered Bonds and the relevant derivative counterparties and the expenses related to the maintenance and management of the separate estate (and, if applicable, to its liquidation) are satisfied. However, any excess proceeds from liquidation of the relevant Cover Pool, after satisfaction of the claims of Holders of Covered Bonds and the relevant derivative counterparties, would be available to unsecured creditors, including the Holders of the Notes. Upon insolvency (*concurso*) or resolution of the relevant Issuer, the claims of Holders of the Notes are unsecured claims against the relevant Issuer that rank after the claims of Holders of Covered Bonds and derivative counterparties with respect to the assets in the relevant Cover Pool.

All Holders of Covered Bonds shall have the same priority over (i) the assets included in the relevant Cover Pool, including any replacement assets and liquid assets; and (ii) the credit rights in connection with the derivative contracts entered into for hedging purposes in relation to the relevant Covered Bonds.

#### **Risks related to Notes generally**

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

The Conditions of the Notes provide that holders of Notes 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 relevant Issuer has, may have or acquire against any Holder, directly or indirectly, howsoever arising. As a result, Holders will not at any time be entitled to set-off the relevant Issuer's obligations under the Notes against obligations owed by them to the relevant Issuer. In addition, the exercise of set-off rights in respect of the relevant Issuer's obligations under the Notes upon the opening of a resolution procedure would be prohibited by Article 68 of BRRD (as implemented into Spanish law in accordance with Law 11/2015).

##### ***Limitation on gross-up obligation under the Notes***

The relevant Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the Notes applies only to payments of interest due and paid under such Notes and not to payments of principal. As such, the relevant Issuer would not be required to pay any additional amounts under the 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 Notes, holders of 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.

### ***Substitution of the Issuers***

If the conditions set out in Condition 20 (*Substitution of the Issuer*) of the Conditions of the Notes are met, the relevant Issuer may, without the consent or sanction of the Holders but, subject to Holders not being materially prejudiced by the substitution and 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 Competent Authority and/or the Relevant Resolution Authority, if and as applicable (if such permission is required), be replaced and substituted by any of its wholly owned Subsidiaries or any other entity which is a Member to whom the relevant Issuer shall have transferred the whole or a substantial part of its assets and liabilities pursuant to a Permitted Reorganisation as the principal debtor in respect of all obligations arising under or in connection with the Notes (the "**Substituted Debtor**"). In that case, the Holders 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.

### ***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 Holders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing through the use of electronic consents. These provisions permit defined majorities to bind all Holders including Holders 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 Holders who voted in a manner contrary to the majority.

In addition, subject as provided herein, in particular to the provisions of Condition 21 (*Substitution and Variation*) of the Conditions of the Notes, if a Capital Event, an Eligible Liabilities Event, a circumstance giving rise to the right to early redeem MREL Eligible Ordinary Senior Notes, Subordinated Notes or Senior Non Preferred Notes for taxation reasons or an Alignment Event, occurs, the relevant Issuer may, at its option, and without the consent or approval of the Holders, 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 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 Holders as the original terms of the relevant Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favourable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the 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.

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

## **RISKS APPLICABLE TO THE COVERED BONDS**

### ***The rights of Holders could be adversely affected in the event of a change in Spanish law or administrative practices in Spain***

The provisions of Royal Decree-Law 24/2021 regarding covered bonds came into force on 8 July 2022 for the purposes of, among others, transposing into Spain Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision. Due to its recent entry into force, the application of Royal Decree-Law 24/2021 is subject to interpretative uncertainty, as well as to any possible subsequent modification.

In particular, Royal Decree-Law 24/2021 (i) includes a new paragraph 7 in article 270 of the Insolvency Law by virtue of which in the case of insolvency (*concurso*) of the relevant Issuer the claims against the relevant Issuer

of Holders of Covered Bonds have special privilege with respect to the assets included in the relevant Cover Pool, and (ii) amends article 578 of the Insolvency Law to include Royal Decree-Law 24/2021 among the special legislation for the purposes of insolvency proceedings. There is not yet any precedent where these amendments have been applied in the context of insolvency proceedings and their application may be subject to interpretation. This uncertainty could affect the ability of Holders of Covered Bonds to properly evaluate and price the Covered Bonds and, therefore, affect the market price of the Covered Bonds given the potential scope and impact that one or more legislative or regulatory changes could have on the Covered Bonds.

### ***Credit risk and risk of collateral reduction***

Investors who invest in Covered Bonds are subject to the risk of the Issuer not paying principal and/or interest on the Covered Bonds on the relevant payment dates. The relevant Issuer is responsible for making payments when due on the Covered Bonds and Holders of Covered Bonds have recourse only against the relevant Issuer, without prejudice to the special privilege of Holders of Covered Bonds against the relevant Cover Pool under article 270.7 of the Insolvency Law upon the insolvency (*concurso*) of the relevant Issuer.

In accordance with article 6 of Royal Decree-Law 24/2021 and without prejudice to the universal liability of the relevant Issuer, the payment obligations of the relevant Issuer under the Covered Bonds will be specially secured (with the limits established in any applicable regulation) by the assets included from time to time in the relevant Cover Pool. Each Cover Pool will secure the relevant Issuer's obligations under the Covered Bonds of the same type (whether Mortgage Covered Bonds or Public Sector Covered Bonds), together with any other covered bonds issued under the existing covered bond programmes approved by the Bank of Spain (under this Base Prospectus or otherwise) and regardless of whether other covered bonds were issued under Royal Decree-Law 24/2021 or the prior legal regime.

In the event the relevant Issuer is unable to meet its payment obligations under the Covered Bonds, provision will be made for payment of those obligations from the assets included in the relevant Cover Pool, such assets being identified and individually detailed in the special register of assets for each Cover Pool.

Each Cover Pool must comply with the minimum level of Legal Over-collateralisation (as defined in "*Overview of Spanish legislation regarding Covered Bonds*") provided for in the first paragraph of article 129.3a of the CRR and, consequently, the total nominal amount of the assets included in the relevant Cover Pool must be at least equal to 105% of the total nominal amount of the outstanding covered bonds issued under the relevant covered bond programme. In addition to the minimum Legal Over-collateralisation, the relevant Issuer may at any time during the life of the cover bond programme and at its own discretion, assume the obligation to maintain a level of collateralisation higher than the Legal Over-collateralisation.

The Covered Bonds of the relevant Issuer will have the benefit of the relevant Cover Pool: in respect of the Mortgage Covered Bonds, a Cover Pool comprising the collateral of the covered bond programme of the mortgage covered bonds of the relevant Issuer and, in respect of the Public Sector Covered Bonds which Cajamar may issue, a Cover Pool comprising the collateral of the covered bond programme of the public sector covered bonds of Cajamar. Each Cover Pool will secure the obligations of the relevant Issuer under all covered bonds of the same type issued under each covered bond programme, including the Covered Bonds issued under this Base Prospectus and any other covered bonds of the relevant type issued in any other manner.

As of 31 December 2023 and 31 March 2024, the levels of over-collateralisation of the Cover Pool for Mortgage Covered Bonds of Cajamar were 33% and 28%, respectively at each date, and the levels of over-collateralisation of the Cover Pool for Public Sector Covered Bonds of Cajamar were 100.3% and 116%, respectively, as of 31 December 2023 and 31 March 2024. As of the date of this Base Prospectus, Cajamar has not assumed any contractual level of collateralisation above the Legal Over-collateralisation requirement. Such level of over-collateralisation may vary and Cajamar only commits to maintain the Legal Over-collateralisation and, if any, the contractual level of collateralisation assumed from time to time.

The assets included in each Cover Pool will be subject to variations in value due to various factors, including: any revision of the appraisal value of the assets or of the fair value of the collection rights, any impairment of collateral or any decrease in the market value of the replacement assets. Any decrease in value of the assets incorporated in the relevant Cover Pool would result in a reduction in the level of recoveries on any foreclosure of those assets. In addition, there could be a delay in the sale (and, therefore, the receipt of recoveries by the relevant Issuer) of such assets, which could affect the relevant Issuer's ability to pay the claims of Holders of Covered Bonds in full or in a timely manner.



Despite such potential changes in the value of the assets included in the relevant Cover Pool, the relevant Issuer shall, at all times, maintain the minimum required asset levels in each Cover Pool and, if applicable, any contractual level of collateral (see "*Risk of breach of the requirements with respect to the assets included in the applicable Cover Pool. Risk due to insufficiency of assets included in the applicable Cover Pool in the event of insolvency of the relevant Issuer*").

***Only limited information in relation to the applicable Cover Pool will be made available to Holders***

The relevant Cover Pool is a dynamic pool of assets and its composition may change from time to time, as the relevant Issuer may acquire or originate new loans (and new types of loans or loans with different characteristics), borrowers may repay or early repay loans included in the relevant Cover Pool and/or a change in the legal or regulatory regime may have an impact on the composition of the relevant Cover Pool. Therefore, Holders will not receive detailed statistics or information in relation to the loans, mortgages or other eligible assets that are or will be included in the relevant Cover Pool in relation to their Covered Bonds.

Cajamar will publish information regarding each applicable Cover Pool on its website (<https://www.cajamar.es/es/comun/informacion-corporativa/informacion-para-inversores/informacion-general/emisiones/>) on a quarterly basis<sup>4</sup>. The Cover Pool information will not be updated between quarterly reports and, therefore, the reports relating to each relevant Cover Pool may not be a true image of the relevant information for such Cover Pool on any date other than the date of the report. The content of the Issuers' websites does not form part of this Base Prospectus and investors should not rely on them.

There is no guarantee that the types or characteristics of new loans, mortgages or eligible assets will be the same as those contained in the relevant Cover Pool on the date of issue of the Covered Bonds.

***Risk of breach of the requirements with respect to the assets included in the relevant Cover Pool. Risk due to insufficiency of assets included in the relevant Cover Pool in the event of insolvency or resolution of the relevant Issuer***

A failure by the relevant Issuer to comply with the requirements in relation to the assets to be included in the relevant Cover Pool or to supplement the relevant Cover Pool with eligible assets, could impact on the ability of the relevant Issuer to make payments on the Covered Bonds in full or in a timely manner. In the event that there is a material breach by the relevant Issuer of its obligations under Royal Decree-Law 24/2021, the authorisation of the applicable covered bond programme may be revoked, although such revocation will not have an impact on any Covered Bonds already issued.

Furthermore, in the event of insolvency (*concurso*) or resolution of the relevant Issuer, the Special Cover Pool Administrator will be appointed by the competent court after consultation with the Bank of Spain from among persons nominated by the Spanish Executive Resolution Authority (*Fondo de Reestructuración Ordenada Bancaria*) (the "**FROB**") (in the event of insolvency (*concurso*) of the relevant Issuer) or directly by the FROB in consultation with the Bank of Spain (in the event of resolution of the relevant Issuer). The Special Cover Pool Administrator will preserve the rights and interests of the Holders and will oversee the management (in the event of resolution of the relevant Issuer) or will manage (in the event of insolvency (*concurso*) of the relevant Issuer) the covered bond programmes of the relevant Issuer.

Upon insolvency (*concurso*) of the relevant Issuer, the assets of the relevant Cover Pool registered in the special register maintained by the relevant Issuer will be materially segregated from the relevant Issuer's assets and will form a separate estate without legal personality, which will be represented by the Special Cover Pool Administrator.

The segregation and the transactions undertaken to transfer the segregated assets will be subject to the special provisions contemplated in Law 11/2015 applicable to the implementation of resolution actions and, in particular, to paragraphs 7 to 9 of article 25 and paragraph 4 of article 29 of Law 11/2015.

Once the transfer of the segregated assets becomes effective:

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<sup>4</sup> As of the date of this Base Prospectus, only Cajamar may issue Covered Bonds under the Programme. BCC will be able to issue Covered Bonds under the Programme upon (i) obtaining the relevant authorisation of the Bank of Spain for the creation of a covered bond programme for the issuance of Mortgage Covered Bonds and (ii) the relevant supplement to the Base Prospectus to incorporate BCC as Issuer of Mortgage Covered Bonds under the Programme having been approved by the Central Bank of Ireland and subsequently published.

- (i) if the total value of the assets included in the relevant Cover Pool exceeds the total value of the liabilities in relation to such Cover Pool plus the legal, contractual or voluntary over-collateralisation and the liquidity requirements, the Special Cover Pool Administrator may opt to continue with the management of the separate estate comprising the segregated assets until their maturity or to partially or totally assign such assets to another issuer of covered bonds (which would constitute a new covered bond programme for such entity and would require the authorisation provided for in article 34 of Royal Decree-Law 24/2021); and
- (ii) if the total value of the assets included in the relevant Cover Pool is lower than the total value of the liabilities in relation to such Cover Pool plus the legal, contractual or voluntary over-collateralisation and the liquidity requirements, the Special Cover Pool Administrator will request the liquidation of the separate estate comprising the segregated assets pursuant to the ordinary insolvency proceedings in accordance with the provisions of article 46 of Royal Decree-Law 24/2021.

The application for the liquidation of the separate estate by the Special Cover Pool Administrator will result in the early termination of the covered bond programmes and the commencement of the liquidation of the assets of the separate estate. The amounts resulting from the liquidation transactions of the separate estate will be carried out in accordance with the corresponding liquidation plan prepared by the Special Cover Pool Administrator. The amounts obtained from the liquidation of the assets of the separate estate, after deducting the costs and expenses in connection with the liquidation and remuneration of the Special Cover Pool Administrator, may not be sufficient to cover the claims of Holders of Covered Bonds and any related derivative counterparties. In that event, such claims will rank *pari passu* with other claims of unsubordinated and unsecured creditors of the relevant Issuer. Therefore, there is no assurance that the assets included in the relevant Cover Pool will be sufficient to repay the payment obligations under the outstanding Covered Bonds in full or that the assets of the relevant Issuer, if insolvent, will be sufficient to cover any remaining claims of Holders of Covered Bonds.

In the event of resolution of the relevant Issuer, the Spanish Bail-in Power should not apply to Covered Bonds to the extent that the amounts payable in respect of the Covered Bonds do not exceed the value of the relevant Cover Pool. Any claims of Holders of Covered Bonds and of any derivative counterparties in excess of the value of the assets included in the relevant Cover Pool may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority (see "*Risks related to Early Intervention and Resolution*").

#### ***Risk associated with the extendable maturity of Covered Bonds***

Royal Decree-Law 24/2021 allows issuers to issue covered bonds with extendable maturity structures, and therefore issuers or the Special Cover Pool Administrator (as applicable) may unilaterally extend the maturity date set forth in the final terms of the covered bonds issued for a given period of time, provided that (i) the possibility of extending the maturity of the covered bonds of the relevant programme is included in the final terms of the covered bonds issued under that programme and, if applicable, in the corresponding issuance or listing prospectus; and (ii) the extension of the maturity of such covered bonds has been previously authorised by the Bank of Spain (at the request of the issuer or the Special Cover Pool Administrator).

The triggering circumstances under article 15.2 of Royal Decree-Law 24/2021 that may trigger an extension of maturity of any covered bonds are the following:

- (i) the existence of a clear risk (*peligro cierto*) of default of the covered bonds due to liquidity issues in respect of the relevant Cover Pool or the Issuer (such risk of default would exist in the event of a breach of the liquidity buffer set forth in article 11 of Royal Decree-Law 24/2021 or when the Bank of Spain undertakes any of the measures contemplated in article 68 of Law 10/2014 (except for the measure set out in the second paragraph of letter (j) of such article 68));
- (ii) the insolvency (*concurso*) or resolution of the Issuer;
- (iii) a declaration of non-viability of the Issuer in accordance with article 8 of Law 11/2015; and
- (iv) the existence of serious disturbances affecting national financial markets, where this has been determined by the Macprudential Authority Financial Stability Board (AMCESFI) by means of a communication in the form of a warning or recommendation, which is not of a confidential nature.

If Extended Maturity is specified as applicable in the Covered Bonds Final Terms and any of the triggering circumstances for an extension of maturity set out above occurs, there is a risk to Holders of Covered Bonds that

the relevant Issuer (or the Special Cover Pool Administrator) may decide to extend the Maturity Date of the Covered Bonds for up to twelve months until the extended Maturity Date.

The longer the period of time until the final redemption of the Covered Bonds, the greater the price volatility compared to securities with similar characteristics, and the greater the exposure to market risks that could have a material adverse impact on the trading price of the Covered Bonds. In addition, any extension of the Maturity Date of the Covered Bonds could affect their liquidity if such extension reduces the demand in the market for such Covered Bonds. Any such extension of the Maturity Date of a Series of Covered Bonds will not give rise to any right of the Holders of such Covered Bonds to accelerate payments of the Covered Bonds or to take any action against the relevant Issuer.

***Defaults relating to loans contained in the relevant Cover Pool may result in the relevant Issuer being unable to satisfy its obligations under the Covered Bonds***

As explained in the risk factor entitled "*Unfavourable global economic conditions and any deterioration in the Spanish or general European financial systems may have a material adverse effect on the business, financial condition, results of operations and prospects of BCC, Cajamar and of the GCC Group*", during 2022 inflationary pressures intensified as a result of various factors, such as rising energy prices (which increased significantly during 2022) and interruptions in the global supply chain. To combat excessive inflation, the ECB has increased interest rates and expects to continue to increase them in the near future.

If interest rates rise and/or borrowers suffer a decline in their income (either in absolute terms or relative to their expenses), borrowers may be unable to meet their payment obligations under their loans. In particular, a continued rise in the interest rates, combined with high inflation, may cause difficulties to borrowers (in particular to those with loans referenced to floating interest rates) to meet payment obligations in relation to their loans and, consequently, adversely affect the relevant Issuer's ability to meet its obligations under the Covered Bonds and comply with the related regulatory requirements.

If the timing and payment of the loans included in the relevant Cover Pool are adversely affected, payments in respect of the Covered Bonds could be reduced and/or delayed and could ultimately result in losses to Holders of Covered Bonds. If borrowers end up defaulting on their loans, the relevant Issuer may take steps to foreclose on the assets securing these loans, if any. When collateral is foreclosed, a court order may be necessary to establish the borrower's payment obligation (if challenged by the borrower) and to permit a sale through a judicial foreclosure proceeding. If, in the context of such foreclosure measures, the relevant Issuer is not able to obtain the relevant court decision or there is a deterioration in the market for the assets included in the relevant Cover Pool, there is a risk that the relevant Issuer may not be able to recover the full amount of the relevant loan.

In addition, in the event that the prices of the assets that are collateral for the loans included in the relevant Cover Pool and the market for such assets decline substantially (which may occur under the current monetary policy scenario), the value of the relevant Issuer's collateral securing the loans included in the relevant Cover Pool will be adversely affected and may result in a breach of the requirements with respect to the assets included in the relevant Cover Pool (see "*Risk of breach of the requirements with respect to the assets included in the relevant Cover Pool. Risk due to insufficiency of assets included in the relevant Cover Pool in the event of insolvency or resolution of the relevant Issuer*").

The inability to recover the full amounts due under the loans included in the applicable Cover Pool could jeopardise the relevant Issuer's ability to meet its obligations under the Covered Bonds, which are backed by payments on such loans.

***It is possible that at a given time there may not be sufficient assets to meet the legal requirements for inclusion in the relevant Cover Pool***

If, as a consequence of the amortisation of the assets included in the relevant Cover Pool, the applicable limit for replacement assets (10% of the principal amount of the Covered Bonds) is exceeded, the relevant Issuer may either acquire its own Covered Bonds until the applicable ratio is met or replace the amortised assets with new assets that meet the necessary conditions for inclusion in the relevant Cover Pool.

If, as a consequence of any such amortisation and unavailability of sufficient replacement assets, the value of the assets included in the relevant Cover Pool is less than the aggregate nominal amount of the related Covered Bonds, in the event of the relevant Issuer's insolvency, the amount of the Covered Bonds in excess of the value of the assets included in the applicable Cover Pool will not constitute a privileged claim for insolvency purposes.

***The Conditions of the Covered Bonds do not include event of default provisions that may allow Covered Bonds to be accelerated***

The Conditions of the Covered Bonds do not include any event of default provisions (including any event of default for non-payment) that may allow Holders to accelerate the Covered Bonds. Holders will only be paid scheduled interest payments under the Covered Bonds as and when they fall due under the Conditions of the Covered Bonds. The only remedies available to Holders are to bring proceedings in respect of the non-payment or commence insolvency proceedings in respect of the relevant Issuer.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents, which have previously been published or are published simultaneously with this Base Prospectus, have been filed with the Central Bank of Ireland and are incorporated by reference in this Base Prospectus:

1. An English language translation of the independent auditors' report, consolidated annual accounts and Directors' report of BCC as of and for the year ended 31 December 2022 available for viewing on:  
<https://www.bcc.es/storage/documents/ccaacc-bcc-2022-english-c8403.pdf>
2. an English language translation of the independent auditors' report, consolidated annual accounts and Directors' report of BCC as of and for the year ended 31 December 2023 available for viewing on:  
<https://www.bcc.es/storage/documents/consolidated-annual-accounts-bcc-2023-english-fe484.pdf>
3. an English language translation of the unaudited First Quarter 2024 Consolidated Results of BCC available for viewing on:  
<https://www.bcc.es/storage/documents/9-dates-quarterly-results-gcc-2024-03-0ada7.pdf>
4. the terms and conditions of the Notes contained in the previous Base Prospectus (named "*Offering Circular*") dated 5 June 2020, at pages 67-127, prepared by BCC in connection with the Programme, available at:  
<https://www.bcc.es/storage/documents/emtn-bcc-062020-ddede.pdf>
5. the terms and conditions of the Notes contained in the previous Base Prospectus (named "*Offering Circular*") dated 16 June 2021, at pages 78-143, prepared by BCC in connection with the Programme, available at:  
<https://www.bcc.es/storage/documents/bcc-emtn-update-2021-offering-circular-approval-10206442671-1-bcfb0.pdf>
6. the terms and conditions of the Notes contained in the previous Base Prospectus (named "*Offering Circular*") dated 25 May 2022, at pages 67-132, prepared by BCC in connection with the Programme, available at:  
<https://www.bcc.es/storage/documents/bcc-emtn-update-2022-offering-circular-approval-c8dba.pdf>
7. The terms and conditions of the notes contained in the previous Base Prospectus dated 15 June 2023, at pages 74-144, prepared by the Issuers in connection with the Programme, available at:  
<https://www.bcc.es/storage/documents/emtn-bcc-cajamar-prospectus-2023-d7c74.pdf>

The audited consolidated annual accounts of BCC for the years ended 31 December 2022 and 2023 indicated above have been prepared in accordance with IFRS-EU, considering the Bank of Spain's Circular 4/2017, of 27 November, and any other legislation governing financial reporting applicable to the GCC Group.

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

Pursuant to Spanish regulatory requirements, Directors' reports are required to accompany the audited consolidated annual accounts as of and for each of the years ended 31 December 2022 and 2023. Investors are cautioned that the Directors' reports contain information as of various historical dates and may not contain a current description of the business, affairs or results of the GCC Group. The information contained in the Directors' reports has not been audited or prepared for the specific purpose of the issue of the Securities and/or this Base Prospectus. Accordingly, the Directors' reports should be read together with the other sections of this Base Prospectus, and particularly "*Risk Factors*", "*Description of BCC and the GCC Group*" and "*Description of Cajamar*". Any information contained in the Directors' reports is deemed to be modified or superseded by any information contained elsewhere in this Base Prospectus that is subsequent to or inconsistent with it. Furthermore, the Directors' reports include certain forward-looking statements that are subject to inherent uncertainty.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and approved by the Central Bank of Ireland 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.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, the information on the websites to which the Base Prospectus refers does not form part of this Base Prospectus.

## FORM OF THE SECURITIES

The Securities of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached, or in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*). Bearer Securities will be issued outside the United States in reliance on Regulation S and Registered Securities will be issued outside the United States in reliance on the registration safe harbour provided by Regulation S.

### **Bearer Securities**

Each Tranche of Bearer Securities will be in bearer form and will initially be issued in the form of a temporary global note (a "**Temporary Bearer Global Note**" or a "**Temporary Bearer Global Covered Bond**" and together, a "**Temporary Bearer Global Security**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Bearer Global Note**" (and together with a Temporary Bearer Global Note, each a "**Bearer Global Note**") or a "**Permanent Bearer Global Covered Bond**" (and together with a Temporary Bearer Global Covered Bond, each a "**Bearer Global Covered Bond**") and together, a "**Permanent Bearer Global Security**" (and together with a Temporary Bearer Global Security, each a "**Bearer Global Security**"), which, in either case, will:

- (a) if the Bearer Global Securities 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
- (b) if the Bearer Global Securities 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 Bearer Global Securities issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Securities are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Securities are to be so held does not necessarily mean that the Bearer Securities 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 Bearer Security is represented by a Temporary Bearer Global Security, payments of principal, interest (if any) and any other amount payable in respect of the Securities due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Security if the Temporary Bearer Global Security 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 the Temporary Bearer Global Security 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 Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Security is issued, interests in such Temporary Bearer Global Security will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Security of the same Series or (ii) for definitive Bearer Securities of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Securities, 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, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Securities. The holder of a Temporary Bearer Global Security 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 Bearer Global Security for an interest in a Permanent Bearer Global Security or for definitive Bearer Securities is improperly withheld or refused.

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

The applicable Final Terms will specify that a Permanent Bearer Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Securities with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) in respect of the Notes, an Event of Default (as defined in Condition 11 (*Events of Default*)) has occurred and is continuing, or (ii) the relevant 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 Securities are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative clearing system is available. The relevant Issuer will promptly give notice to Holders in accordance with Condition 17 (*Notices*) of the Conditions of the Notes or Condition 14 (*Notices*) of the Conditions of the Covered Bonds, as applicable, 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 Bearer Global Security) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying 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 Principal Paying Agent.

Where TEFRA D is specified in the applicable Final Terms, the following legend will appear on all Bearer Securities (other than Temporary Bearer Global Securities), receipts and interest coupons relating to such Securities:

"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 Bearer Securities, receipts 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 Bearer Securities, receipts or interest coupons.

Securities which are represented by a Bearer Global Security 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.

### **Registered Securities**

The Registered Securities of each Tranche will initially be represented by a global note in registered form (a "**Registered Global Note**" or a "**Registered Global Covered Bond**" and together, a "**Registered Global Security**")

Registered Global Securities will be deposited with a common depositary or, if the Registered Global Securities are to be held under the new safe-keeping structure (the "**NSS**"), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Securities in fully registered form.

Where the Registered Global Securities issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Securities are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Securities are to be so held does not necessarily mean that the Securities 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 time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Security held under the NSS will either by Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.



Payments of principal, interest and any other amount in respect of the Registered Global Securities will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4 (*Payments in respect of Registered Notes*) of the Conditions of the Notes or Condition 6.4 (*Payments in respect of Registered Covered Bonds*) of the Conditions of the Covered Bonds), as applicable, as the registered holder of the Registered Global Securities. None of the relevant Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4 (*Payments in respect of Registered Notes*) of the Conditions of the Notes or Condition 6.4 (*Payments in respect of Registered Covered Bonds*) of the Conditions of the Covered Bonds, as applicable) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Securities without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) in respect of the Notes, an Event of Default has occurred and is continuing, or (ii) the relevant 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, in any such case, no successor clearing system is available or (iii) the Securities are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative clearing system is available. The relevant Issuer will promptly give notice to Holders in accordance with Condition 17 (*Notices*) of the Conditions of the Notes or Condition 14 (*Notices*) of the Conditions of the Covered Bonds, as applicable, if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Security) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Security will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

## **General**

Pursuant to the Agency Agreement (as defined in the "*Terms and Conditions of the Notes*" and in the "*Terms and Conditions of the European Covered Bonds (Premium)*"), the Principal Paying Agent shall arrange that, where a further Tranche of Securities is issued which is intended to form a single Series with an existing Tranche of Securities at a point after the Issue Date of the further Tranche, the Securities of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Securities 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) applicable to the Securities of such Tranche.

Except in relation to Securities 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 11 (*Events of Default*) of the Conditions of the Notes. 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 Conditions of such Notes and 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 account with Euroclear and/or Clearstream, Luxembourg as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg 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, in the case of English Law Notes, the terms of a deed of covenant (the "**Deed of Covenant**") dated 7

June 2024 and executed by the Issuers, and, in the case of the Spanish Law Notes, Condition 4 (*Direct Rights*) of the Conditions of the Notes and the terms of the Global Note.

### **Initial Issue of Securities**

If the Bearer Global Securities 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 Bearer Global Securities will be delivered to a Common Safekeeper and Euroclear and Clearstream, Luxembourg will be informed whether or not the Bearer Securities are intended to be held as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem (the "**Eurosystem eligible collateral**").

Depositing the Bearer Global Securities intended to be held as Eurosystem eligible collateral with a Common Safekeeper does not necessarily mean that the Bearer Securities 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 Bearer Securities 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 Securities are capable of meeting the eligibility criteria, such Bearer Securities may then be deposited with Euroclear or Clearstream, Luxembourg as Common Safekeeper.

### **Book-Entry Securities**

Securities may be issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) ("**Book-Entry Securities**"). Book-Entry Securities will be issued as *anotaciones en cuenta* and registered with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal ("**Iberclear**") as managing entity of the Central Registry. Such Book-Entry Securities will be constituted as such by virtue of their entry in the corresponding accounting book of Iberclear.

The holders of Book-Entry Securities will be identified as such (on their own account or for the account of third parties) as appears from the accounting book maintained by Iberclear or the relevant member (*entidad participante*) of Iberclear ("**Iberclear Member**") (as the case may be). The clearing and settlement of the Book-Entry Securities will be carried out in accordance with the operating rules that are established or in the future may be approved by Iberclear.

Payments to be made in respect of Book-Entry Securities will be made by the relevant Issuer (or on its behalf) to Iberclear or the relevant Iberclear Member (as the case may be), in whose records such Book-Entry Securities are registered, in accordance with Iberclear's current procedures.

One or more certificates evidencing the relevant Holder's holding of Book-Entry Securities in the relevant registry will be delivered by Iberclear or the relevant Iberclear Member (as the case may be), in whose records the Book-Entry Securities are registered, or, where the Holder is itself an institution participating in Iberclear, by Iberclear (in each case, in accordance with the requirements of Spanish law and the procedures of the relevant Iberclear Member or, as the case may be, Iberclear) to such Holder upon such Holder's request.

### **Other provisions relating to Book-Entry Securities**

Title to the Book-Entry Securities will be evidenced by book entries and each person shown in the registries maintained by Iberclear Members (or the members of the relevant Book-Entry Depositary) and having an interest in the Book-Entry Securities shall be considered, by the relevant Issuer and its agents, as the holder of the principal amount of Book-Entry Securities recorded therein, and the expressions "**Holder**" and "**holder of Securities**" and related expressions shall be construed accordingly in respect of Book-Entry Securities.

The creation of limited *in rem* rights or any other encumbrance on a Book-Entry Security must be entered in the corresponding account and effected in accordance with the then current procedures of Iberclear and or their respective members.

### **Further tranches of Book-Entry Securities (fungible Book-Entry Securities)**

The relevant Issuer shall arrange (without the requirement to obtain the consent of the Holders) that, where a further Tranche of Book-Entry Securities is issued which is intended to form a single Series with an existing Tranche of Book-Entry Securities, the Book-Entry Securities of such further Tranche shall be assigned the same common code and ISIN.

## **Summary of clearance and settlement procedures applicable to Book-Entry Securities**

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

### **Iberclear**

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

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

The securities recording system of Iberclear is a two-tier registry: the keeping of the central record corresponds to Iberclear and the keeping of the detail records correspond to the Iberclear Members.

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

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

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

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

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

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

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

Iberclear and the Iberclear Members have the function of keeping the book-entry register of securities traded on AIAF.

Securities traded on AIAF are fixed income securities, including corporate bonds (for example, medium term notes and mortgage bonds) and bonds issued by the Spanish Treasury and Spanish regions, among others, represented either in a dematerialised form or by certificates.

In the AIAF settlement system, transactions may be settled spot, forward (settlement date more than five days after the relevant trade date), with a repurchase agreement on a fixed date and double or simultaneous transactions (two trades in opposite directions with different settlement dates).

The settlement system used for securities admitted for trading on AIAF is the Model 1 delivery versus payment system, as per the classification of the Bank for International Settlements: that is, it is a "transaction-to-transaction" cash and securities settlement system with simultaneity in its finality.

Transactions are settled on the stock-exchange business day agreed by participants at the moment of the trade.

### **Euroclear and Clearstream**

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

## FORM OF NOTES FINAL TERMS

**[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.]<sup>5</sup>

**[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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**") / distributor] should take into consideration the 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.]<sup>6</sup>

**[PRIIPs / IMPORTANT – 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 the 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 Regulation (EU) 2017/1129. Consequently, no key information document ("**KID**") 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.]<sup>7</sup>

**[UK PRIIPs / IMPORTANT – 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 (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 UK domestic law 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 UK domestic law 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 UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law 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

<sup>5</sup> Legend to be included if the product governance requirements under MiFID II apply to the relevant Tranche in accordance with Directive (EU) 2021/338 (as implemented in the relevant Member States).

<sup>6</sup> Legend to be included if the product governance requirements under UK MiFIR apply to the relevant Tranche.

<sup>7</sup> 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 (ii) 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".

selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] <sup>8</sup>

**[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).]

[Date]

**[BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.] / [CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CRÉDITO]**

**(LEI: [95980020140005881190] / [635400CE9HHFB55PEY43])**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the EURO 7,000,000,000  
Euro Medium Term Note and European Covered Bond (Premium) Programme**

## **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes set forth in the Base Prospectus dated 7 June 2024 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation and any implementing measure in a relevant Member State of the European Economic Area (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 the Issuer at [[www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/) / <https://www.cajamar.es/en/comun/informacion-corporativa/>]. In addition, if the Notes are to be admitted to trading on [the regulated market of Euronext Dublin / AIAF / other], copies of the Final Terms will be published on the website of the Issuer at [[www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/) / <https://www.cajamar.es/en/comun/informacion-corporativa/>].

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.]<sup>9</sup>

[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 [(named "*Offering Circular*")]] dated [5 June 2020 / 16 June 2021 / 25 May 2022 / 15 June 2023] [under the section entitled ["*Terms and Conditions of the Notes*"]] [and the supplement[s] to it dated [date] [and [date]]] which [is/are] incorporated by reference in the Base Prospectus dated 7 June 2024. 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 7 June 2024 [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 Base Prospectus in order to obtain all relevant information. The Base Prospectus has been published on the website of the Issuer at [www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/)]<sup>10</sup>

*[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 subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

<sup>8</sup> 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".

<sup>9</sup> In the case of Notes to be listed on a non-regulated market, references to the Prospectus Regulation to be removed.

<sup>10</sup> Only applicable for BCC.

- 1 Issuer: [Banco de Crédito Social Cooperativo, S.A.]  
[Cajamar Caja Rural, Sociedad Cooperativa de Crédito]
- 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 [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [date]][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 [insert date] (if applicable)]
- 6 (a) Specified Denominations: [ ]
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent) in the case of Notes to be admitted to trading on a regulated market for the purposes of MiFID II)*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- 7
- (a) Issue Date: [ ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- 8 Maturity Date: Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]]
- (Notes may not have a maturity of less than one year from the date of their issue)*
- 9 Interest Basis: [[ ] per cent. Fixed Rate]

[Fixed Reset Notes]

[[[ ] month [EURIBOR/€STR/SONIA/SOFR]]  
+/- [ ] per cent. Floating Rate]

(see paragraph [14]/ [16] below)

10 Redemption[/Payment] Basis:

Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100 / [ ]] 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 [14] and [16] below and identify there]*[Not Applicable]

12 Put/Call Options:

[Investor Put pursuant to Condition 8.7 of the Conditions of the Notes is [Applicable / Not Applicable] [see paragraph 22 below]]

[Issuer Call pursuant to Condition 8.3 of the Conditions of the Notes is [Applicable / Not Applicable] [see paragraph 20 below]]

[Call Option – Capital Event pursuant to Condition 8.4 of the Conditions of the Notes is [Applicable / Not Applicable] [see paragraph 18 below]]

[Call Option – Eligible Liabilities Event pursuant to Condition 8.5 of the Conditions of the Notes is [Applicable / Not Applicable] [see paragraph 19 below]]

[Call Option – Clean-Up Redemption Option pursuant to Condition 8.6 of the Conditions of the Notes is [Applicable/Not Applicable][see paragraph 21 below]]

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)*

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

14 Fixed Rate Note Provisions:

[Applicable/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, with the first Interest Payment Date falling on [ ]
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (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)*
- 15 Fixed Reset Provisions: [Applicable/Not Applicable]
- (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 Margin: [+/-][ ] per cent. per annum
- (k) Relevant Screen Page: [ ]
- (l) Floating Leg Reference Rate: [ ]
- (m) Floating Leg Screen Page: [ ]
- (n) Initial Mid-Swap Rate: [ ] per cent. per annum (quoted on a[n annual/semi-annual basis])

(o) Calculation Agent: [Specify entity responsible for seeking quotations in accordance with Condition 6.2]

*[For an issue of Floating Rate Notes, the Calculation Agent cannot be Deutsche Bank AG, London Branch as Principal Paying Agent]*

16 Floating Rate Note Provisions:

[Applicable/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 Principal Paying Agent or the Local Paying Agent, as applicable): [ ]

(f) Screen Rate Determination: [Applicable/Not Applicable]

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

• Reference Rate: [•][•] [EURIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index]

• Observation Method: [Lag / Observation Shift]

• Lag Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]

*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*

• Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]

*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*

• D: [360/365/[ ]] / [Not Applicable]

- Index Determination: [Applicable/Not Applicable]
- SONIA Compounded Index: [Applicable/Not Applicable]
- SOFR Compounded Index: [Applicable/Not Applicable]
- Relevant Decimal Place: [ ] [5/7] (*unless otherwise specified in the Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index*)
- Relevant Number of Index Days: [ ] [5] (*unless otherwise specified in the Final Terms, the Relevant Number shall be 5*)

**[END OF OPTION]**

- Interest Determination Date(s): [The first Business Day in the relevant Interest Period]/ (*select where Interest Determination Date has the meaning specified in Condition 6.3(b)(III), (IV) or (V)*) [•] [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to each Interest Payment Date]
- Relevant Screen Page: [•]
- Relevant Time: [•]
- Relevant Financial Centre: [•]
- (g) ISDA Determination: [Applicable/Not Applicable]  
  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- Floating Rate Option: [•]  
  
(*The Floating Rate Option should be selected from one of EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions*)
- Designated Maturity: [•]  
  
(*Delegated Maturity will not be relevant where the Floating Rate Option is a risk free rate*)
- Reset Date: [•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions]
- Compounding: [Applicable/Not Applicable]

- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Compounding Method:
    - [Compounding with Lookback
    - Lookback: [•] Applicable Business Days]
    - [Compounding with Observation Period Shift
    - Observation Period Shift: [•] Observation Period Shift Business Days
    - Observation Period Shift Additional Business Days: [•] / [Not Applicable]]
    - [Compounding with Lockout
    - Lockout: [•] Lockout Period Business Days
    - Lockout Period Business Days: [•]/[Applicable Business Days]]
  
  - Averaging:
    - [Applicable/Not Applicable]]
    - (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - [Averaging Method:
    - [Averaging with Lookback
    - Lookback: [•] Applicable Business Days]
    - [Averaging with Observation Period Shift
    - Observation Period Shift: [•] Observation Period Shift Business days
    - Observation Period Shift Additional Business Days: [•]/[Not Applicable]]
    - [Averaging with Lockout
    - Lockout: [•] Lockout Period Business Days
    - Lockout Period Business Days: [•]/[Applicable Business Days]]
  
  - Index Provisions:
    - [Applicable/Not Applicable]
    - (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - Index Method:
    - Compounded Index Method with Observation Period Shift
    - Observation Period Shift: [•] Observation Period Shift Business days
    - Observation Period Shift Additional Business Days: [•] / [Not Applicable]

- (h) 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*)]
- (i) Margin(s): [+/-] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum
- (l) 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)]
- (m) Calculation Agent [*Specify entity responsible for seeking quotations in accordance with Condition 6.3*]

## PROVISIONS RELATING TO REDEMPTION

- 17 Notice periods for Condition 8.2 of the Conditions of the Notes (*Redemption for tax reasons*): Minimum period: [30] days  
Maximum period: [60] days
- 18 Call Option - Capital Event (Condition 8.4 of the Conditions of the Notes): [Applicable/Not Applicable] (*may only be applicable for Tier 2 Subordinated Notes*)
- 19 Call Option - Eligible Liabilities Event (Condition 8.5 of the Conditions of the Notes): Applicable/Not Applicable] (*may only be applicable for MREL Eligible Ordinary Senior Notes, Senior Non Preferred Notes, Senior Subordinated Notes and Tier 2 Subordinated Notes*)
- 20 Issuer Call (Condition 8.3 of the 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: [ ]
- (e) Notice periods: Minimum period [15] days  
Maximum period: [60] days

*(N.B. 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 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)*

21 Clean-Up Redemption at the Option of the Issuer (Condition 8.6 of the Conditions of the Notes): [Applicable/Not Applicable]

(a) Clean-Up Percentage: [[75] per cent. / [•] per cent.]

(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Note / [•]

22 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

(c) Notice periods: Minimum period: [15] days

Maximum period: [60] days.

*(N.B. 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 Principal Paying Agent.)*

23 Final Redemption Amount: [ ] per Calculation Amount

24 Early Redemption Amount: [ ] per Calculation Amount

25 Ordinary Senior Notes optionality (Events of Default (Condition 11 of the Conditions of the Notes)): *(Note that this paragraph provides additional optionality if Senior Notes are intended to qualify as eligible liabilities)*

[Condition 11.1 of the Conditions of the Notes [Not Applicable] [Condition 11.2 of the Conditions of the Notes [Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

26 Form of Notes:

1. Form: [Bearer Notes:[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Bearer Global Note exchangeable for Definitive Notes upon an Exchange Event]

[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 14 December 2005]

[Registered Notes:

[Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

[Book-Entry Notes: [Uncertificated, dematerialised book-entry form notes (*anotaciones en cuenta*) registered with Iberclear (Plaza de la Lealtad, 1, 28014 Madrid)][other] [as managing entity of the Central Registry][other registry]][other]

2. [New Global Note:

[Yes][No]]

3. [New Safekeeping Structure:

[Yes][No]]

27 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 subparagraphs 16(c) relates)*

28 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]

29 Governing law (Condition 23):

[English law/Spanish law]

### [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 [Banco de Crédito Social Cooperativo, S.A. / Cajamar Caja Rural, Sociedad Cooperativa de Crédito]

By:

Duly authorised [pursuant to the resolutions of the [•]  
of the Issuer dated [•]]





## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(i) Listing and Admission to trading:

[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 [     ].]

[Application [has been]/[will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on AIAF [with effect from [     ].]

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

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

(iii) Trade date: [     ]

### 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].*

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

*[[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) (the "**CRA Regulation**")][[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>].*

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

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

rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>].

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

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation").

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

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

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

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

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

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

*[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 where the issue has been specifically rated, that rating.)*

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

[Save for any fees payable to the [Managers/Dealers/Calculation Agent], 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/Calculation Agent] 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*]

*(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

(i) Reasons for the offer: [General financing requirements of the GCC 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 / Sustainability Notes] and the net proceeds of the issuance of the Notes will be used as described in "Use of Proceeds" in the Base Prospectus]

(ii) Estimated net proceeds: [ ]

#### 5. YIELD (*Fixed Rate Notes only*)

Indication of yield: [ ]

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

#### 6. OPERATIONAL INFORMATION

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) Any clearing system(s) other than Iberclear, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

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

(v) Delivery: Delivery [against/free of] payment

(vi) Names and addresses of additional Paying Agent(s) (if any): [ ]

(vii) 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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday 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[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][include this text for Registered Notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.]]

[Not Applicable]

## 7. DISTRIBUTION

- |  |  |
|--|--|
| (i) Method of distribution:                        | [Syndicated/Non-syndicated]  |
| (ii) If syndicated, names of Managers:             | [Not Applicable/give <i>names</i> ]  |
| (iii) Stabilisation Manager(s) (if any):           | [Not Applicable/give <i>name</i> ]   |
| (iv) If non-syndicated, name of relevant Dealer:   | [Not Applicable/give <i>name</i> ]   |
| (v) U.S. Selling Restrictions:                     | [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]   |
| (vi) Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]  |
|  | <i>(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, "Applicable" should be specified.)</i>           |
| (vii) Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]  |
|  | <i>(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.)</i> |

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note governed by English law and will be attached to each Global Note (as defined below) and each definitive Note governed by Spanish law. In the case of definitive Notes governed by English law, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant 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. The Terms and Conditions of the Notes and the Applicable Final Terms will apply to Book-Entry Notes.*

This Note is one of a Series (as defined below) of Notes issued by Banco de Crédito Social Cooperativo, S.A. ("BCC") or Cajamar Caja Rural, Sociedad Cooperativa de Crédito ("Cajamar") (each an "Issuer", and together, the "Issuers") pursuant (in the case of Bearer Notes and Registered Notes) to the Agency Agreement (as defined below).

References herein to the "Issuer" shall be to BCC or Cajamar, as the case may be, as the Issuer of the Notes under the Programme.

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;
- (c) any definitive Notes in bearer form ("Bearer Notes") issued in exchange for a Global Note in bearer form;
- (d) any definitive Notes in registered form ("Registered Notes") (whether or not issued in exchange for a Global Note in registered form); and
- (e) in respect of Notes in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) ("Book-Entry Notes"), units of each Specified Denomination in the Specified Currency.

The Notes (other than the Book-Entry 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 7 June 2024 and made between the Issuers, Deutsche Bank AG, London Branch as principal paying agent (the "Principal Paying Agent", which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the "Paying Agents", which expression shall include any additional or successor paying agents), Deutsche Bank Luxembourg, S.A. as registrar (the "Registrar", which expression shall include any successor registrar), a transfer agent and the other transfer agents named therein (together with the Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents). For the Book-Entry Notes, the relevant Issuer will act as local paying agent (the "Local Paying Agent") in respect of the Book-Entry Notes issued by it. The Principal Paying Agent, the Registrar, the Paying Agents, the Transfer Agents and the Local Paying Agent together referred to as the "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. In the Conditions, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.

Interest bearing definitive Bearer Notes have interest coupons ("Coupons") and, in the case of Bearer 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. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to "**Holders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered 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 regards Book-Entry Notes, any reference to "**Holders**" or "**holders**" in relation to Book-Entry Notes shall mean the persons registered in the central registry (the "**Central Registry**") maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal ("**Iberclear**") or in the registry maintained by the relevant member (*entidad participante*) of Iberclear ("**Iberclear Member**"). Any reference herein to Coupons and Talons and to their respective holders shall not be applicable.

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 respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

In the case of Notes (other than the Book-Entry Notes) specified in the applicable Final Terms as being governed by English law, the Holders and the Couponholders are entitled to the benefit of a Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 7 June 2024 and made by the Issuers. The Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below). In the case of Notes specified in the applicable Final Terms as being governed by Spanish law, the rights of the Relevant Account Holders to proceed directly against the Issuer in the circumstances in which Relevant Account Holders of English law Notes would have direct rights under the Deed of Covenant, are provided for under Condition 4 (*Direct Rights*) and the terms of the relevant Global Notes.

The Book-Entry Notes specified in the applicable Final Terms as being governed by English law have the benefit of a Book-Entry Deed of Covenant (such Book-Entry Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "**Book-Entry Deed of Covenant**") dated 7 June 2024 and made by the Issuers.

Copies of the Agency Agreement, the Deed of Covenant and the Book-Entry 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 Holder 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 the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), or, as the case may be, on the Spanish fixed income securities market, AIAF Mercado de Renta Fija ("**AIAF**"), the applicable Final Terms will be published on the website of the Issuer ([www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/) or <https://www.cajamar.es/en/comun/informacion-corporativa/>, as applicable). The Holders 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 or the Book-Entry Deed of Covenant, as applicable, 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.

Any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or replaced.

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.

## Definitions

In the Conditions, the following expressions have the following meanings:

**"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 GCC Group including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect of the Competent 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 GCC Group) (in all cases, as amended from time to time).

**"Applicable MREL Regulations"** means at any time the laws, regulations, requirements, guidelines and policies giving effect to the MREL including, without limitation to the generality of the foregoing, CRD IV, the BRRD, as implemented in Spain (including, but not limited to, by Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations), the SRM Regulation 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 GCC Group) (in all cases, as amended from time to time).

**"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 instrument of the Issuer qualifying as Additional Tier 1 Capital in whole or in part 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 come into effect in place thereof (in all cases as amended or replaced from time to time).

**"Calculation Agent"** means the party specified in the applicable Final Terms as being responsible for determining the Rate of Interest and/or calculating the Interest Amount in respect of the Notes unless (i) where such party is a party other than the Issuer, that party fails to perform or notifies the Issuer that it is unable to perform any of its duties or obligations as Calculation Agent or (ii) where such party is the Issuer, the Issuer determines in its sole discretion to appoint another party as Calculation Agent, in which case the Calculation Agent shall be such other party as is appointed by the Issuer to act as Calculation Agent, which party may, as applicable, include the Issuer or an affiliate of the Issuer and shall be a leading bank or financial institution, or another party of recognised standing and with appropriate expertise to make the determinations and/or calculations to be made by the Calculation Agent.

**"Calculation Amount"** has the meaning given to it in the applicable Final Terms.

**"Competent Authority"** 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 GCC Group.

**"CRD IV"** means any or any combination of the CRD IV Directive, the CRR, and any CRD IV Implementing Measures.

**"CRD IV Directive"** means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, 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 or replaced from time to time).

**"CRD IV Implementing Measures"** means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Competent Authority, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a stand-alone basis) or the GCC 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 IV.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th 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 or replaced from time to time).

"**Definitive Bearer Note**" means a Bearer Note in definitive form issued or, as the case may require, to be issued by the Issuer in exchange for all or (in the case of a Temporary Bearer Global Note) part of a Global Note in bearer form, the Definitive Bearer Note being in or substantially in the form set out in the Agency Agreement with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent and the relevant Dealer and having the Conditions endorsed on it or, if permitted by the relevant authority or authorities and agreed by the Issuer and the relevant Dealer, incorporated in it by reference and having the applicable Final Terms (or the relevant provisions of the applicable Final Terms) either incorporated in it or endorsed on it and having Coupons and, where appropriate, Talons attached to it on issue.

"**Definitive Notes**" means Definitive Bearer Notes and/or, as the context may require, Definitive Registered Notes.

"**Definitive Registered Note**" means a Registered Note in definitive form issued or, as the case may require, to be issued by the Issuer either on issue or in exchange for all of a Registered Global Note, the Registered Note in definitive form being in or substantially in the form set out in the Agency Agreement with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent and the relevant Dealer and having the Conditions endorsed on it or attached to it or, if permitted by the relevant authority or authorities and agreed by the Issuer and the relevant Dealer, incorporated in it by reference and having the applicable Final Terms (or the relevant provisions of the applicable Final Terms) either incorporated in it or endorsed on it or attached to it.

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

"**English Law Notes**" means Notes where the applicable Final Terms specify English law as the governing law of the Notes.

"**GCC Group**" means the Issuer, each Member and each of their respective Subsidiaries.

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

"**Law 11/2015**" means Law 11/2015 of 18 June on the Recovery and Resolution of Credit Institutions and Investment Firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), as amended or replaced from time to time.

"**Member**" means each entity, from time to time, who is a party, or who has acceded to the Regulating Agreement, or any agreement which may amend or replace it from time to time and whose accession has been authorised by the Competent Authority.

"**MREL**" means the "minimum requirement for own funds and eligible liabilities" for credit institutions under the BRRD, as implemented in Spain (including, but not limited to, by Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations), set in accordance with Article 45 et seq. of the BRRD, 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 Ordinary Senior Notes**" means Ordinary Senior Notes eligible to comply with MREL Requirements.

"**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 GCC Group under Applicable MREL Regulations.

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

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

**"Regulating Agreement"** means the regulating agreement of the GCC Group whose current wording was unanimously approved by the General Meeting of the Members of GCC Group on 12 December 2018.

**"Relevant Account Holder"** means any account holder with a Relevant Clearing System which has Underlying Notes credited to its securities account from time to time (other than any Relevant Clearing System which is an account holder of any other Relevant Clearing System).

**"Relevant Clearing System"** means Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), Euroclear Bank SA/NV ("**Euroclear**"), Iberclear and/or any other clearing system or systems as is specified in Part B of the Final Terms relating to any Note.

**"Relevant Entity"** means, at any particular time, any entity forming part of the GCC Group (each an "**entity**"):

- (a) whose net assets represent not less than 15 per cent. of the net consolidated assets of the GCC Group as calculated by reference to the then latest audited accounts (or, if the entity itself has Subsidiaries, consolidated accounts) of such entity and the most recently published audited consolidated accounts of the GCC Group; or
- (b) whose gross revenues represent not less than 15 per cent. of the gross consolidated revenues of the GCC Group, all as calculated by reference to the then latest audited accounts (or, if the entity itself has Subsidiaries, consolidated accounts) of such entity and the then latest audited consolidated accounts of the GCC Group.

*For the purposes of the definitions of Relevant Entity:*

- (i) *if there shall not at any time be any relevant audited consolidated accounts of the GCC Group, 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 GCC Group;*
- (ii) *if, in the case of an entity 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 entity and its Subsidiaries prepared for this purpose by the Issuer;*
- (iii) *if (A) any entity shall not in respect of any relevant financial period for whatever reason produce audited accounts or (B) any entity 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 GCC Group relate, then there shall be substituted for the purposes of this definition the management accounts of such entity for such period;*

- (iv) *where any Subsidiary of an entity is not wholly owned by the entity 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 entity to or by the Issuer and any entity 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.*

**"Relevant Time"** means (a) in respect of English Law Notes, the time at which the bearer of a Bearer Global Note or the registered holder of a Registered Global Note has no further rights under the Global Note pursuant to certain circumstances specified in the Global Note, and (b) in respect of Spanish Law Notes, the time at which Direct Rights (as defined in such Global Note) are acquired under such Global Note in accordance with its terms.

**"Security Interest"** means any mortgage, charge, pledge, lien or other form of encumbrance or security interest arising.

**"Senior Preferred Obligations"** means any unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Obligations.

**"Senior Non Preferred Obligations"** means any unsubordinated and unsecured non-preferred obligations (*créditos ordinarios no preferentes*) of 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.

**"Spanish Law Notes"** means Notes where the applicable Final Terms specify Spanish law as the governing law of the Notes.

**"SRM Regulation"** means Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund or such other regulation as may come into effect in place thereof, (in all cases, as amended from time to time).

**"Subordinated Notes"** means Senior Subordinated Notes and Tier 2 Subordinated Notes.

**"Subsidiary"** means, in relation to an entity (the **"First Entity"**), any entity (the **"Second Entity"**) controlled by that First Entity where control is determined by:

- (a) ownership (directly or indirectly) of a majority of the share capital of the Second Entity; or
- (b) the power to appoint or remove a majority of the members of the governing body of the Second Entity.

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

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

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

**"Tier 2 Instrument"** means any instrument of the Issuer qualifying as Tier 2 Capital in whole or in part from time to time.

**"Underlying Notes"** means the Notes initially represented by, and comprised in, Global Notes, in each case representing a certain number of underlying Notes.

## 1. FORM, DENOMINATION AND TITLE

### 1.1 Form and Denomination

The Notes are in bearer form (**"Bearer Notes"**) or registered form (**"Registered Notes"**) or uncertificated, dematerialised book-entry form (**"Book-Entry Notes"**) in the currency (the **"Specified Currency"**) and the denominations (the **"Specified Denomination(s)"**) specified in the applicable Final Terms and in the

case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa* and Book-Entry Notes may not be exchanged for Bearer Notes or Registered Notes and *vice versa*.

Definitive Bearer Notes are issued with Coupons attached.

## **1.2 Type of Notes**

This Note may be a Fixed Rate Note, a Fixed Reset Note, a Floating Rate Note 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, as indicated in the applicable Final Terms.

## **1.3 Title**

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note 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.

## **1.4 Notes in Global Form**

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or 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 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 Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any 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 "**Holder**" 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 Part B of the applicable Final Terms.

## **1.5 Book-Entry Notes**

Book-Entry Notes may be transferred and title to the Book-Entry Notes may pass, in accordance with Spanish law and with all rules, restrictions and requirements of Iberclear (or, as the case may be, the relevant Iberclear Member), upon registration in the Central Registry or, as the case may be, the registry maintained by the relevant Iberclear Member. Each holder of Book-Entry Notes will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Book-Entry Note for all purposes and no person will be liable for so treating the holder of Book-Entry Notes.

The creation of limited *in rem* rights or any other encumbrance on the Book-Entry Note must be entered in the corresponding account and effected in accordance with the then current procedures of Iberclear (or relevant Iberclear Member).

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

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

### **2.2 Transfers of Registered Notes in definitive form**

Subject as provided in paragraphs 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 8 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### **2.4 Costs of registration**

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **3. 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 a Senior Note, an Ordinary Senior Note or a Senior Non Preferred Note and, in the case of Subordinated Notes, a Senior Subordinated Note or a Tier 2 Subordinated Note.

The obligations of the Issuer under the Notes are subject to, and may be limited by, the exercise of any Loss Absorbing Power (as defined in Condition 14). Consequently, the Notes are available to absorb losses of any of the entities within the GCC Group and to potentially recapitalise the whole GCC Group. The Notes are not subject to any set-off or netting arrangements that would undermine their capacity to absorb losses in resolution. The Notes are not and shall not be secured, or subject to a guarantee or any other arrangement that enhances the ranking of the claims under the Notes.

### 3.1 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 applicable Final Terms constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer.

The Senior Non Preferred Notes constitute unsubordinated and unsecured non-preferred obligations (*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 obligations of the Issuer in respect of principal under Senior Non Preferred Notes will rank below any other unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer and accordingly, shall be paid after payment of any such other unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer.

Therefore, in accordance with the Insolvency Law and Additional Provision 14.2 of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer, the payment obligations of the Issuer under the Senior Notes in respect of principal (and unless they qualify as subordinated obligations (*créditos subordinados*) pursuant to Article 281.1 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 subordinated obligations (*créditos subordinados*) of the Issuer under Article 281.1 of the Insolvency Law (or equivalent legal provision which replaces it in the future); and
  - (ii) **pari passu** among themselves and with any other Senior Preferred Obligations; and
- (b) in the case of Senior Non Preferred Notes:
  - (i) **senior** to any subordinated obligations (*créditos subordinados*) of the Issuer under Article 281.1 of the Insolvency Law (or equivalent legal provision which replaces it in the future);
  - (ii) **pari passu** among themselves and with any other Senior Non Preferred Obligations; and
  - (iii) **junior** to any Senior Preferred Obligations.

*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 281.1 of the Insolvency Law) will be unsubordinated and unsecured obligations (créditos ordinarios) as defined in the Insolvency Law. Unsubordinated and unsecured obligations (créditos ordinarios) rank below claims against the insolvency estate (créditos contra la masa) and privileged obligations (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 unsubordinated and unsecured obligations (créditos ordinarios). Unsubordinated and unsecured obligations (créditos ordinarios) rank above subordinated obligations (créditos subordinados) 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. At the date of this Base Prospectus, claims of Senior Holders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated obligations (créditos subordinados) of the Issuer ranking in accordance with the provisions of article 281.1.3º of the Insolvency Law.*

### 3.2 Status of the Subordinated Notes

The payment obligations of the Issuer under Notes which specify their status as Subordinated Notes in the applicable 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 applicable Final Terms) constitute direct, unconditional and subordinated obligations (*créditos subordinados*) 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:

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

*This status is expected to apply if the Subordinated Notes are specified as Senior Subordinated Notes in the applicable Final Terms.*

*Claims of Holders of Senior Subordinated Notes in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated obligations (*créditos subordinados*) of the Issuer ranking in accordance with the provisions of Article 281.1.3º of the Insolvency Law and no further interest shall accrue from the date of the declaration of insolvency of the Issuer.*

- (b) for so long as the relevant Subordinated Notes constitute Tier 2 Instrument of the Issuer, payment obligations of the Issuer thereunder will rank:
  - (i) **senior** to (i) any subordinated obligations (*créditos subordinados*) of the Issuer under Additional Tier 1 Instruments; and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under Tier 2 Instruments;
  - (ii) **pari passu** among themselves and with (i) any other subordinated obligations (*créditos subordinados*) of the Issuer under Tier 2 Instruments, and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under Tier 2 Instruments; and
  - (iii) **junior** to (i) any unsubordinated and unsecured obligations of the Issuer (including any Senior Non Preferred Obligations); (ii) any subordinated obligations (*créditos subordinados*) of the Issuer under instruments which do not constitute Additional Tier 1 Instruments or Tier 2 Instruments and (iii) any other subordinated obligations (*créditos*

*ordinarios*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Issuer's obligations under Tier 2 Instruments.

*This status is expected to apply if the Subordinated Notes are specified as Tier 2 Subordinated Notes in the applicable Final terms.*

*Pursuant to Additional Provision 14.3 of Law 11/2015, all claims arising from Tier 2 instruments (which is expected to be the case for Tier 2 Subordinated Notes), even if they are only partly recognised as Tier 2 Instruments will rank behind any other subordinated obligations included under article 281.1 of the Insolvency Law and will be paid after them.*

#### **4. DIRECT RIGHTS**

In respect of the Spanish Law Notes, if at any time the bearer of the Bearer Global Note and the registered holder of the Registered Global Note ceases to have rights under it in accordance with its terms, the Issuer covenants with each Relevant Account Holder (other than any Relevant Clearing System which is an account holder of any other Relevant Clearing System) that each Relevant Account Holder shall automatically acquire at the Relevant Time, under this Condition 4 and the provisions of the relevant Global Notes without the need for any further action on behalf of any person, against the Issuer all those rights which the Relevant Account Holder would have had if at the Relevant Time it held and beneficially owned executed and authenticated Definitive Notes in respect of each Underlying Note represented by the Global Note which the Relevant Account Holder has credited to its securities account with the Relevant Clearing System at the Relevant Time and, from that time, the Relevant Account Holder will have no further rights under the relevant Global Note.

#### **5. WAIVER OF SET-OFF**

No holder of any Note may at any time exercise or claim any Waived Set-Off Rights against any right, claim or liability of the Issuer or that the Issuer may have or acquire against such holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any kind, whether or not relating to such Note) and each holder of any Note 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 amount payable by the Issuer in respect of, or arising under or in connection with, any Note to any holder of such Note is discharged by set-off, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and, accordingly, any such discharge shall be deemed not to have taken place.

Nothing in this Condition 4 is intended to provide, or shall be construed as acknowledging, any Waived Set-Off Rights or that any such Waived Set-Off Right is or would be available to any holder of any Note but for this Condition 4.

In these Conditions:

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

#### **6. INTEREST**

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

##### **6.1 Interest on Fixed Rate Notes**

This Condition 6.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 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 or which are Book-Entry Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or Book-Entry Notes; 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 6.1:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (A) 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 (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) 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
    - (2) 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; and
- (ii) 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.

In these 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.

## 6.2 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 6.2 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 6.2 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 6.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 6.1 (*Interest – Interest on Fixed Rate Notes*) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In this Condition:

**"First Reset Rate"** means the sum of the Reset Margin and the Mid-Swap 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 of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) 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;

**"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 Calculation Agent;

**"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; and

**"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 in the principal financial centre of the Specified Currency on the Reset Determination Date. The Calculation Agent specified in the applicable Final Terms 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, if any, as determined by the Calculation Agent. If no 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 Initial Mid-Swap Rate.

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

The Issuer 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 Paying Agents, the Local Paying Agent (in the case of Book-Entry Notes) 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 17 (*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 6.2 by the Principal Paying Agent or the Local Paying Agent, as applicable, shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent or the Local Paying Agent, as applicable, the other Paying Agents (as applicable) and all Holders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Holders or the Couponholders shall attach the Principal Paying Agent or the Local Paying Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 6.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

This Condition 6.3 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 6.3 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, 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 these 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 6.3(a)(ii) (*Interest on Floating Rate Notes – Interest Payment Dates*) 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 these Conditions, "**Business Day**" means a day which 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 each Additional Business Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the T2 is open; and
- (c) either (1) 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 (2) in relation to any sum payable in euro, a day on which the T2 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. *Screen Rate Determination*: If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the applicable Final Terms) determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if 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 Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
  - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

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

*provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

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

- II. *ISDA Determination*: If ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions (provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee) and under which:

- (i) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:
  - (A) the Floating Rate Option is as specified in the applicable Final Terms;
  - (B) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms;
  - (C) the relevant Reset Date, unless otherwise specified in the applicable Final Terms, has the meaning given to it in the ISDA Definitions;
  - (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
    - (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

***provided, however, that*** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate;

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the applicable Final Terms and:
  - (1) if Compounding with Lookback is specified as the Compounding Method in the applicable Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the applicable Final Terms;
  - (2) if Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Final Terms; or
  - (3) if Compounding with Lockout is specified as the Compounding Method in the applicable Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms;
- (F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the applicable Final Terms and:
  - (1) if Averaging with Lookback is specified as the Averaging Method in the applicable Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in applicable Final Terms;
  - (2) if Averaging with Observation Period Shift is specified as the Averaging Method in the applicable Final Terms then (a) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Final Terms; or
  - (3) if Averaging with Lockout is specified as the Averaging Method in the applicable Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms; and
- (G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the applicable Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms and (b) Observation

Period Shift Additional Business Days, if applicable, are the days specified in the applicable Final Terms;

- (ii) references in the ISDA Definitions to:
  - (A) **"Confirmation"** shall be references to the applicable Final Terms;
  - (B) **"Calculation Period"** shall be references to the relevant Interest Period;
  - (C) **"Termination Date"** shall be references to the Maturity Date;
  - (D) **"Effective Date"** shall be references to the Interest Commencement Date; and
- (iii) if the Final Terms specify "2021 ISDA Definitions" as being applicable:
  - (A) **"Administrator/Benchmark Event"** shall be disapplied; and
  - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".
- (iv) Unless otherwise defined capitalised terms used in this Condition 6.3(b)(II) shall have the meaning ascribed to them in the ISDA Definitions.
- (v) For the purposes of this Condition 6.3(b)(II):

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

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

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor).

**"ISDA Definitions"** has the meaning given in the applicable Final Terms.

### *III. Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*

- (i) This Condition 6.3(b)(III) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable, Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the applicable Final Terms as being "SONIA".
- (ii) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the applicable Final Terms) the Margin, all as determined by the Calculation Agent.
- (iii) For the purposes of this Condition 6.3(b)(III):

**"Compounded Daily SONIA"**, with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the

following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_i x n_i}{365} \right) - 1 \right] x \frac{365}{d}$$

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

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

"**do**" means the number of London Banking Days in:

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

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

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

to, and including, the last London Banking Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

"**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<sub>i</sub>**" for any London Banking Day "i", in the relevant Interest Period or Observation Period (as applicable) is 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, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment 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**" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period"



(as applicable) in the applicable Final Terms or if no such period is specified, five London Banking Days;

"**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 is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIA<sub>i</sub>**" means the SONIA Reference Rate for:

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

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), 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, subject to Condition 6.4, be:
  - (A) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a 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
  - (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) 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) or (b) if this is more recent, the latest determined rate under (A).
- (v) Subject to Condition 6.4, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6.3(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 Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

IV. *Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*

- (i) This Condition 6.3(b)(IV) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable, Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the applicable Final Terms as being "SOFR".
- (ii) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 6.3(b)(IV):

**"Benchmark"** means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 6.3(b)(IV).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 6.3(b)(IV)(iv) below will apply.

**"Business Day"** means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

**"Compounded SOFR"** with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

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

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

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

**"do"** is the number of U.S. Government Securities Business Days in:

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

- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period.

"i" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

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

to and including the last US Government Securities Business Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

**"n<sub>i</sub>"** for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

**"Observation Period"** in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**"p"** for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the applicable Final Terms or if no such period is specified, five U.S. Government Securities Business Days;

**"SOFR"** with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **"SOFR Determination Time"**); or
- (ii) Subject to Condition 6.3(b)(IV)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, or any successor source;

**"SOFR<sub>i</sub>"** means the SOFR for:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "p" U.S.

Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day "i"; and

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

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Holders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

Notwithstanding any other provision of this Condition 6.3(b)(IV)(iv), no Benchmark Replacement will be adopted, nor will any Benchmark Replacement Conforming Changes 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 for the purposes of Applicable Banking Regulations or to comply with MREL Requirements (as applicable), in each case of the Issuer or the GCC Group, as applicable, or could reasonably result in the Competent Authority and/or the Relevant Resolution Authority treating any future Interest Payment Dates (including any Reset Date) as the effective maturity of the Notes, rather than the relevant Maturity Date, in which case the Benchmark for the relevant Interest Period will be the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website.

**"Benchmark"** means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;

- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) 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 Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer 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 Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

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

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"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 the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 6.3(b)(IV)(iv) above will be notified promptly by the Issuer to the Principal Paying Agent, the Local Paying Agent (in case of Book-Entry Notes), the Calculation Agent, the Paying Agents and, in accordance with Condition 17 (*Notices*), the Holders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Principal Paying Agent of the same, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark

Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 6.3(b)(IV); and

- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6.3(b)(IV), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

V. *Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*

- (i) This Condition 6.3(b)(V) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable, Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the applicable Final Terms as being "€STR".
- (ii) Where "€STR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 6.3(b)(v)(V):

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

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

where:

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

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

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

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

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

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

"**€STR Administrator**" means the European Central Bank (or any successor administrator of €STR);

"**€STR Administrator's Website**" means as the website of the European Central Bank or any successor source;

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

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

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

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

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

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes are due and payable);

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

"**Observation Period**" means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the final Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and



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

- (iv) Subject to Condition 6.4, if, where any Rate of Interest is to be calculated pursuant to Condition 6.3(b)(V)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the €STR Administrator on the €STR Administrator's Website, as determined by the Calculation Agent.
- (v) Subject to Condition 6.4, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6.3(b)(V), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

**VI. *Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)***

This Condition 6.3(b)(VI) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable, Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and "Index Determination" is specified in the applicable Final Terms as being applicable.

Where "Index Determination" is specified in the applicable Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

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

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

**"Compounded Index"** shall mean either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the applicable Final Terms;

**"d"** is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

**"End"** means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**"Index Days"** means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

**"Numerator"** means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

**"Relevant Decimal Place"** shall, unless otherwise specified in the Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.00000005 being rounded upwards);

**"Relevant Number"** is as specified in the applicable Final Terms, but, unless otherwise specified shall be five;

**"SONIA Compounded Index"** means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

**"SOFR Compounded Index"** means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

**"Start"** means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of the relevant Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 6.3(b)(III)) or Condition 6.3(b)(IV), as applicable) had been specified instead in the Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the applicable Final Terms, and where the Observation Shift Period for the purposes of that definition in Condition 6.3(b)(III) or Condition 6.3(b)(IV) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the relevant Compounded Index, the provisions of Condition 6.4) shall apply.

(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 Principal Paying Agent or the Local Paying Agent, as applicable, 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 Principal Paying Agent or the Local Paying Agent, as applicable, 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 (i) represented by a Global Note, or (ii) Book-Entry Notes or (iii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (ii) such Book-Entry Notes or (B) such Registered Notes; or
- (ii) in the case of Floating Rate Notes which are Bearer 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 which is a Bearer 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 6.3:

- (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:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [(30xM_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

"D<sub>2</sub>" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [(30xM_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

"D<sub>2</sub>" 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 D<sub>2</sub> will be 30;

- (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:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [(30xM_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

"D<sub>1</sub>" 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 D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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 D<sub>2</sub> will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Issuer 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 Paying Agents, the Local Paying Agent (in the case of Book-Entry Notes) 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 17 (*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 Holders in accordance with Condition 17 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) 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 6.3 (*Interest on Floating Rate Notes*) by the Principal Paying Agent or the Local Paying Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent or the Local Paying Agent, as applicable, the other Paying Agents (as applicable) and all Holders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Holders or the Couponholders shall attach to the Principal Paying Agent or the Local Paying Agent, as applicable, in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) Determination of Rate of Interest following acceleration

If (i) the Notes become due and payable in accordance with Condition 11 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period during which the Notes become due and payable is to be determined by reference to any of Conditions 6.3(b)(III) (*Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*), 6.3(b)(IV) (*Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*), 6.3(b)(V) (*Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*) and 6.3(b)(VI) (*Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*), then the final Interest Determination Date shall be the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in the Conditions.

#### 6.4 Benchmark Discontinuation

By its acquisition of the Notes, each Holder (which for these purposes includes each holder of a beneficial interest in the Notes) will be deemed to have expressly consented to the application of the provisions of this Condition 6.4. Without any requirement for any further consent or approval of the Holders (whether pursuant to Condition 18 or otherwise) and notwithstanding the provisions in Conditions 6.3(b), 6.3(c) or 6.2, as the case may be, above, if the Issuer or the Calculation Agent (in consultation with the Issuer, where the Calculation Agent is a party other than the Issuer, or, if the Calculation Agent deems it appropriate, an Independent Adviser) determines that a Benchmark Event 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 that Original Reference Rate, then the following provisions of this Condition 6.4 shall apply.

Notwithstanding any other provision of this Condition 6.4, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the 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 Applicable MREL Regulations or to comply with MREL Requirements (as applicable), in each case of the Issuer or the GCC Group, as applicable, or could reasonably result in the Competent Authority and/or the Relevant

Resolution Authority treating any future Interest Payment Dates (including any Reset Date) as the effective maturity of the Notes, rather than the relevant Maturity Date.

(a) Successor Rate or Alternative Rate

- (i) The Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6.4).
- (ii) The Alternative Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Original Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Original Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Rate.
- (iii) If the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with subparagraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the applicable Original Reference Rate) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Original Reference Rate, and the Alternative Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Rate; provided, however, that if this subparagraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Rate and Alternative Relevant Screen Page prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this subparagraph (iii), the Floating Leg Reference Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the last observable Floating Leg Reference Rate or Reference Rate published on the Relevant Screen Page after the last preceding Reset Date or Interest Determination Date, or, if none, the Floating Leg Reference Rate or Reference Rate (as applicable) for a term equivalent to the relevant Interest Period or Reset Period published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (as applicable) (though substituting, where a different relevant Margin is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period (as applicable), the relevant Margin relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period or Interest Period, and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6.4.
- (iv) If a Successor Rate or an Alternative Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Rate and Alternative Relevant Screen Page shall be the benchmark and the

Relevant Screen Page in relation to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6.4).

(b) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (i) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Rate 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 Alternative Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Rate.

(c) Benchmark Amendments

If a Successor Rate or an Alternative Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Floating Leg Reference Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (such amendments, the "**Benchmark Amendments**") (subject to the subsequent operation of this Condition 6.4).

Notwithstanding any other provision of this Condition 6.4, the Calculation Agent, the Local Paying Agent (in case of Book-Entry Notes) 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 6.4(c), which, in the sole opinion of the Calculation Agent or the Local Paying 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, the Local Paying Agent (in case of Book-Entry Notes) or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

(d) Notice

Following any determination pursuant to subparagraphs (a) and/or (b) above, the Issuer shall as soon as practicable give notice thereof, of the occurrence of the Benchmark Event and of any changes pursuant to subparagraph (c) above, and if the Issuer is aware ten Business Days prior to the next relevant Reset Determination Date or Interest Determination Date (as applicable) no later than on the tenth Business Day prior to such Determination Date or Interest Determination date, give notice thereof, of the occurrence of the Benchmark Event, and of any changes pursuant to subparagraph (c) above in all cases to the Calculation Agent, the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Notes) and the Holders.

In connection with any such modifications in accordance with this Condition 6.4, 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.

No later than the date on which the Issuer notifies the Holders of the same, the Issuer shall deliver to the Calculation Agent, the Paying Agents and the Local Paying Agent (in case of Book-Entry Notes) 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 6.4; and
- (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 Principal Paying Agent shall display such certificate at its offices, for inspection by the Holders, at all reasonable times during normal business hours.

Each of the Principal Paying Agent, the Calculation Agent, the Local Paying Agent (in the case of Book-Entry Notes) 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, the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Principal Paying Agent's or the Calculation Agent's or the Local Paying Agent's (in the case of Book-Entry Notes) or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Local Paying Agent (in the case of Book-Entry Notes) the Paying Agents and the Holders.

Notwithstanding any other provision of this Condition 6.4, 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 6.4, 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 this Condition 6.4, the Original Reference Rate and the fallback provisions provided for in Condition 6.3 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 6.4.

(f) Definitions

In this Condition 6.4, the following expressions shall have the following meanings:

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

- (i) in the case of a Successor Rate, is formally recommended or provided as an option for parties to adopt, 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 the Issuer determines that no such industry standard is recognised or acknowledged), 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 Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Benchmark Amendments**" has the meaning given to it in Condition 6.4(c);

"**Benchmark Event**" means:

- (i) The Original Reference Rate has ceased to be published on the relevant Screen Page for a period of at least five Business Days, as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased, or will, by a specified future date (the "**Specified Future Date**") cease, publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that such 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 that such 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, either generally or in respect of the Notes; 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 and such representativeness will not be restored (as determined by such supervisor); or
- (vi) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Holder using the Original Reference Rate (including, without limitation, under the EU Benchmarks Regulation, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (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 international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

"**Original Reference Rate**" means:

- (i) the benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of 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 Condition 6.4;

"**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; and

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 6.5 **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 Principal Paying Agent, the Local Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Holders in accordance with Condition 17 (*Notices*).

## 7. **PAYMENTS**

### 7.1 **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, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto.

### 7.2 **Presentation of definitive Bearer Notes and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer 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 bearer form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 7.5 (*General provisions applicable to payments in respect of Global Notes*) 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 9 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*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 bearer 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 bearer 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 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 nominal amount of such Note.

If the due date for redemption of any definitive Bearer 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 Bearer Note.

### **7.3 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer 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.

### **7.4 Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) 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 (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**"). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### **7.5 General provisions applicable to payments in respect of Global Notes**

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, if any amount of principal and/or interest in respect of Bearer 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 Bearer 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.

#### **7.6 Payments in respect of Book-Entry Notes**

Payments in respect of the Book-Entry Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in the currency in which the payment is due, details of which appear in the records of Iberclear and/or the relevant Iberclear Member, at the close of business on the Business Day on which the payment of principal and/or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear and the relevant Iberclear Member, to receive payments under the relevant Book-Entry Notes. None of the Issuer, any Agent, the Local Paying Agent or any of the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Book-Entry Notes.

#### **7.7 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 10 (*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):
  - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
  - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the T2 is open; and
- (c) either (1) 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 (2) in relation to any sum payable in euro, a day on which the T2 is open.

## 7.8 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 9 (*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 9 (*Taxation*).

In this Condition, "**Final Redemption Amount**" means, in respect of any Note, (i) its principal amount or (ii) such amount per Calculation Amount as may be specified in the applicable Final Terms.

## 8. REDEMPTION AND PURCHASE

### 8.1 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.

### 8.2 Redemption for tax reasons

Subject to Condition 8.8 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest

Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Notes) and, in accordance with Condition 17 (*Notices*), the Holders (which notice shall be irrevocable), if, as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) including any treaty to which such Tax Jurisdiction is a party or any change in the application or official interpretation of such laws or regulations, including a decision of any court or tribunal, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will or would be obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (b) the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in any Tax Jurisdiction in respect of any payment of interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer would be materially reduced; or
- (c) 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 (a) would be obliged to pay such additional amounts (b) would not be entitled to claim such deduction or the value of such deduction would be materially reduced or (c) would be obliged to apply the materially affected applicable tax treatment.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office to the Holders (i) 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) 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 MREL Eligible Ordinary Senior Notes, a copy of the permission of the Competent Authority and/or the Relevant Resolution Authority, to redemption, if and as applicable (if such permission is required).

Notes redeemed pursuant to this Condition 8.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 8.8 (*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 MREL Eligible Ordinary Senior Notes, will be subject to such redemption being permitted by the Applicable Banking Regulations (including, for the avoidance of doubt, the Applicable MREL Regulations) and taking place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77, 78 and 78a of the CRR, where applicable) in force at the relevant time and will be subject to the prior permission of the Competent Authority and/or the Relevant Resolution Authority if and as applicable (if such permission is required).

### **8.3 Redemption at the option of the Issuer (Issuer Call)**

This Condition 8.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than under any of the Conditions 8.2 (*Redemption for tax reasons*), 8.4 (*Redemption at the option of the Issuer (Capital Event)*: Tier 2 Subordinated Notes), 8.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event)*: Senior Subordinated Notes or Senior Notes) or 8.6 (*Clean-Up Redemption at the Option of the Issuer*)), such option being referred to as an "**Issuer Call**". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 8.3 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.

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 MREL Eligible Ordinary Senior Notes, to such redemption being permitted by the Applicable Banking Regulations (including, for the avoidance of

doubt, Applicable MREL Regulations) and taking place in accordance with Applicable Banking Regulations (including without limitation, in accordance with Articles 77, 78 and 78a of the CRR where applicable) in force at the relevant time and will be subject to the prior permission of the Competent Authority and/or the Relevant Resolution Authority if and as applicable (if such permission is required), having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Holders in accordance with Condition 17 (*Notices*), the Principal Paying Agent and the Local Paying Agent (in the case of Book-Entry Notes) (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 60 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), or in the case of Redeemed Notes that are represented by Book-Entry Notes, the rules of Iberclear (by reducing the nominal amount of each Book-Entry Notes), 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 17 (*Notices*) not less than 5 days prior to the date fixed for redemption.

#### **8.4 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 if a Capital Event occurs and is continuing, the Tier 2 Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations and taking place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77 and 78 of the CRR, where applicable) in force at the relevant time and subject to the prior permission of the Competent Authority and/or the Relevant Resolution Authority, if and as applicable (if such permission is required), at any time, on giving not less than 5 nor more than 30 days' notice to the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Notes) and, in accordance with Condition 17 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption).

Tier 2 Subordinated Notes redeemed pursuant to this Condition 8.4 will be redeemed at their Early Redemption Amount referred to in Condition 8.8 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 Competent Authority that all or part of the outstanding nominal amount of the Tier 2 Subordinated Notes is not eligible for inclusion in the Tier 2 Capital of the Issuer and/or the GCC 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 and/or the GCC Group, or as a result of amortisation pursuant to Article 64 of CRR (or equivalent legal provision which replaces it in the future)).

#### **8.5 Redemption at the option of the Issuer (Eligible Liabilities Event): Tier 2 Subordinated Notes, Senior Subordinated Notes or Senior Notes**

If the Notes are Tier 2 Subordinated Notes, Senior Subordinated Notes or Senior Notes and Eligible Liabilities Event is specified as applicable in the applicable Final Terms, then if an Eligible Liabilities Event occurs, the relevant Tier 2 Subordinated Notes, Senior Notes or Senior 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, the Applicable MREL Regulations) and taking place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77, 78 and 78a of the CRR, where applicable) in force at the relevant time and will be subject to the prior permission of the Competent Authority and/or the Relevant Resolution Authority, if and as applicable (if such permission is required) at any time, on giving not less than 5 nor more than 30 days' notice to the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Notes) and, in accordance with Condition 17 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption).

Tier 2 Subordinated Notes, Senior Notes or Senior Subordinated Notes (as the case may be) redeemed pursuant to this Condition 8.5 will be redeemed at their Early Redemption Amount referred to in Condition 8.8 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the Conditions, "**Eligible Liabilities Event**" means:

- (a) in respect of MREL Eligible Ordinary Senior Notes, the determination by the Issuer after consultation with the Competent Authority 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 GCC 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 Competent Authority 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 GCC 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 Senior Subordinated Notes or Tier 2 Subordinated Notes, the determination by the Issuer after consultation with the Competent Authority 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 GCC 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.

## 8.6 Clean-Up Redemption at the Option of the Issuer

If Clean-Up Redemption Option is specified as applicable in the applicable Final Terms, and if 75 per cent. or any higher percentage specified in the applicable Final Terms (the "**Clean-Up Percentage**") of the initial aggregate nominal amount of the Notes of the same Series (which for the avoidance of doubt includes, any additional Notes issued subsequently and forming a single series with the first Tranche of a particular Series of Notes) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled, 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 such redemption being permitted by the Applicable Banking Regulations (including, for the avoidance of doubt, the Applicable MREL Regulations) and taking place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77, 78 and 78a of the CRR, where applicable) in force at the relevant time and will be subject to the prior permission of the Competent Authority and/or the Relevant Resolution Authority, if and as applicable (if such permission is required), at any time, at its option, and having given not less than 5 nor more than 30 calendar days' notice (the "**Clean-Up Redemption Notice**") to the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Notes) and, in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), the Holders, redeem such outstanding Notes, in whole but not in part, at their Optional Redemption Amount together, if appropriate, with accrued interest to (but excluding) the date of redemption, on the date fixed for redemption identified in the Clean-Up Redemption Notice.

## 8.7 Redemption at the option of the Holders (Investor Put)

This Condition 8.7 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 Holder, 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 8.7 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 17 (*Notices*) not less than the minimum period nor more than the maximum period of notice 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 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 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. If the Note is represented by a Book-Entry Note held through Iberclear, to exercise the right to require redemption of such Note the holder of such Note must, within the notice period, give notice to the Local Paying Agent

of such exercise in accordance with the standard procedures of Iberclear (which may include notice being given on its instruction by Iberclear, or any Iberclear Member to the Local Paying Agent by electronic means) in a form acceptable to Iberclear 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 8.7 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 8.7 and instead to declare such Note forthwith due and payable pursuant to Condition 11 (*Events of Default*).

## **8.8 Early Redemption Amounts**

For the purpose of Conditions 8.2 (*Redemption for tax reasons*), 8.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*), 8.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Senior Subordinated Notes or Senior Notes*), 11 (*Events of Default*) and 8.6 (*Clean-Up Redemption at the Option of the Issuer*), each Note will be redeemed at its Early Redemption Amount.

## **8.9 Purchases**

The Issuer or any Subsidiary of the Issuer may purchase Notes (provided that, in the case of definitive Bearer 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 and/or the Registrar for cancellation, or in the case of Book-Entry Notes, redeemed.

In the case of Subordinated Notes, Senior Non Preferred Notes and MREL Eligible Ordinary Senior Notes, the purchase of the relevant Notes by the Issuer or any of its Subsidiaries is subject to the Applicable Banking Regulations (including, for the avoidance of doubt, the Applicable MREL Regulations) and may only take place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77, 78 and 78a of the CRR, where applicable) in force at the relevant time and will be subject to the prior permission of the Competent Authority and/or the Relevant Resolution Authority, if and as applicable (if such permission is required).

## **8.10 Cancellation of Notes (other than Book-Entry Notes)**

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 8.9 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

# **9. TAXATION**

## **9.1 In respect of Bearer Notes and Registered Notes:**

All payments 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 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 Holders or Couponholders after such withholding or deduction shall equal the amount of interest which would otherwise have been receivable in respect of the Notes or 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 Note or Coupon:

- (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 Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than (i) the mere holding of such Note or Coupon or (ii) the receipt of any payment in respect of such 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 7.7 (*Payment Day*)); or
- (d) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such Holder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities; or
- (e) 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 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.

As used herein:

- (a) "**Tax Jurisdiction**" means Spain or any political subdivision or any authority thereof or therein having power to tax; and
- (b) the "**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 Principal Paying Agent, or the Registrar, as the case may be, 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 Holders in accordance with Condition 17 (*Notices*).

## 9.2 In respect of Book-Entry Notes:

All payments in respect of the Book-Entry Notes 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 Holders after such withholding or deduction shall equal the amount of interest which would otherwise have been receivable in respect of the Book-Entry Notes, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Book-Entry Note:

- (a) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Book-Entry Note by reason of its having some connection with a Tax Jurisdiction other than (i) the mere holding of such Book-Entry Note or (ii) the receipt of any payment in respect of such Book-Entry Note; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.7 (*Payment Day*)); or
- (c) to, or to a third party on behalf of, a holder if the Issuer does not receive in a timely manner certain information about the Book-Entry Notes of such holder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate, pursuant to Law 10/2014 of 26 June, and Royal Decree 1065/2007 of 27 July.

As used herein:

- (a) "**Tax Jurisdiction**" means Spain or any political subdivision or any authority thereof or therein having power to tax; and
- (b) the "**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 Local Paying 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 Holders in accordance with Condition 17 (*Notices*).

## 10. PRESCRIPTION

In the case of Notes governed by English law, claims for payment in respect of Notes (whether in bearer, registered or book-entry form) and Coupons will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefor. In the case of Notes governed by Spanish law, claims for payment in respect of Notes (whether in bearer, registered or book-entry form) will become void unless made within a period of three years after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefore.

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 or Condition 7.2 (*Presentation of definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 7.2 (*Presentation of definitive Bearer Notes and Coupons*).

## 11. EVENTS OF DEFAULT

### 11.1 Events of Default relating to Ordinary Senior Notes

This Condition 11.1 only applies to Ordinary Senior Notes if so specified in the applicable Final Terms. If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or, as the case may be, the Agency Agreement or the Deed of Covenant or the Book-Entry Deed of Covenant, as applicable, and such default remains unremedied for 30 days or after written notice thereof, addressed to the Issuer by any Holder, has been delivered to the Issuer; or
- (c) **Cross-default of Issuer or Relevant Entity:**
  - (i) any Indebtedness for Borrowed Money of the Issuer or any for Borrowed Money,
  - (ii) provided that the amount of Indebtedness for Borrowed Money referred to in subparagraph (i) and/or subparagraph (ii) above individually or in the aggregate exceeds EUR 40,000,000 (or its equivalent in any other currency or currencies);
- (d) **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 40,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any Relevant Entity 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
- (e) **Security enforced:** any Security Interest created or assumed by the Issuer or any Relevant Entity 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 40,000,000 (or its equivalent in any other currency or currencies); or
- (f) **Winding up:** any order is made by any competent court or any resolution passed for the winding up, liquidation (*liquidación*) or dissolution of the Issuer (or any Relevant Entity) (except in any such case for the purpose of a Permitted Reorganisation); or
- (g) **Cessation of business:** the Issuer (or any Relevant Entity) 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 Relevant Entity) 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

- (h) **Insolvency proceedings:** (i)(A) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against it or an order is made or a resolution is passed for the winding-up, liquidation or dissolution of the Issuer, and, in respect of any Relevant Entity, proceedings are initiated against any such Relevant Entity 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 Relevant Entity) 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 Relevant Entity); 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 Relevant Entity); and (ii) in any case is or are not discharged within 30 days; or
- (i) **Arrangements with creditors:** the Issuer (or any Relevant Entity) 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
- (j) **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 or the Book-Entry Deed of Covenant, as applicable, (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
- (k) **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 or the Book-Entry Deed of Covenant, as applicable; or
- (l) **Regulating Agreement:**
  - (i) the Regulating Agreement is terminated (and is not concurrently therewith substituted or replaced, or the commercial benefit thereof for the Issuer is not otherwise replicated or continued) or is modified in a manner which is materially prejudicial to the interests of the Holders; or
  - (ii) a Member that is a Relevant Entity ceases to be bound by the Regulating Agreement,

then any Holder 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 outstanding nominal 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.

For the purpose of this Condition 11:

**"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 where the entity resulting from any such reconstruction, merger or amalgamation is (A) a financial institution (*entidad de crédito*) under article 1 of Law 10/2014, as amended and restated and (B) has a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investors Service or Fitch 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 Subsidiary, a reconstruction, merger or amalgamation which is on a solvent basis.

## 11.2 **Events of Default relating to the Senior Non Preferred Notes, Subordinated Notes and Ordinary Senior Notes**

This Condition 11.2 applies to Senior Non Preferred Notes and Subordinated Notes, and to Ordinary Senior Notes if so specified in the applicable Final Terms and references to "Notes" shall be construed accordingly.

If any order is made by any competent court or resolution passed for the liquidation (*liquidación*) of the Issuer (an "**Event of Default**") then any Holder 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 become immediately due and payable at their outstanding nominal 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 above, each Holder 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 adoption of any early intervention or resolution measure under Law 11/2015 and the SRM Regulation (or a moratorium) or the non performance by the relevant Issuer of its obligations under the Notes will not constitute an Event of Default.

## 11.3 **Green, Social or Sustainability Notes**

In the case of any Notes where the Notes are stated to be "Green", "Social" or "Sustainability" Notes in "Reasons for the Offer" in Part B of the applicable Final Terms and/or it is stated that the proceeds from the issue of the Notes are intended to be used 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.

## 12. **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 Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) 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.

## 13. **AGENTS**

The names of initial Agents are set out above. 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 Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (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 (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) 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;
- (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; and
- (d) there will at all times be a local paying agent in relation to the Book-Entry Notes.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5 (*General provisions applicable to payments in respect of Global Notes*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Holders promptly by the Issuer in accordance with Condition 17 (*Notices*).

In acting under the Agency Agreement the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Holder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any 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 agent.

#### **14. LOSS ABSORBING POWER**

- (a) *Acknowledgement*: Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of the Notes, each Holder (which for the purposes of this Condition 14 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:
  - (i) to be bound by the effect of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
    - the reduction of all, or a portion, of the Amounts Due on a permanent basis;
    - the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
    - the cancellation of the Notes or Amounts Due;
    - 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;
  - (ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Loss Absorbing Power by the Relevant Resolution Authority; and
  - (iii) that the Notes are available to absorb losses of any of the entities within the GCC Group and to potentially recapitalise the whole GCC Group.
- (b) *Payment of Interest and Other Outstanding Amounts Due*: No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to the Issuer if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

- (c) *Event of Default*: Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to any Notes will be an Event of Default pursuant to Condition 11.
- (d) *Notice to Holders*: Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the Holders as soon as practicable regarding such exercise of the Loss Absorbing Power. The Issuer will also deliver a copy of such notice to the Agents for information purposes. No failure or delay by the Issuer to deliver a notice to the Holders shall affect the validity or enforceability of the exercise of the Loss Absorbing Power.
- (e) *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 Holders, 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.
- (f) *Proration*: If the Relevant Resolution Authority exercises the Loss Absorbing Power with respect to less than the total Amounts Due, unless any of the 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.
- (g) *Condition Exhaustive*: The matters set forth in this Condition 14 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.
- (h) *Definitions*: In this Condition 14:

"**Amounts Due**" means the principal amount or outstanding amount, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes under Condition 9 (*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 the Kingdom of Spain, relating to (i) the implementation of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) the SRM Regulation, and (iii) the instruments, rules and standards created thereunder, pursuant to which, among others, 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 the Kingdom of Spain (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) or the SRM Regulation, each of them as amended or superseded from time to time, or any other Spanish piece of legislation relating to the Loss Absorbing Power, applies, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies;

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

## 15. RECOGNITION OF STAY POWERS

By its subscription and/or purchase and holding of the Notes, each Holder (which for the purposes of this Condition 15, includes each holder of a beneficial interest in the Notes), where a resolution measure is taken in relation to the Issuer or any member of the same group as the Issuer which is an EU BRRD undertaking:



- (a) acknowledges and accepts that the Notes may be subject to the exercise of EU BRRD Stay Powers;
- (b) acknowledges and accepts that it is bound by the application or exercise of any such EU BRRD Stay Powers; and
- (c) confirms that this Condition 15 (*Recognition of Stay Powers*) represents the entire agreement with the Issuer on the potential impact of EU BRRD Stay Powers in respect of the Notes, to the exclusion of any other agreement, arrangement or understanding between parties.

In accordance with Article 68 (*Exclusion of certain contractual terms in early intervention and resolution*) of Directive 2014/59/EU and any relevant implementing measures in any member state, by its subscription and/or purchase and holding of the Notes, each Holder further acknowledges and agrees that the application or exercise of any such EU BRRD Stay Powers shall not, per se, be deemed to be an enforcement event within the meaning of Directive 2002/47/EC or as insolvency proceedings within the meaning of Directive 98/26/EC and that Holders shall not be entitled to take any of the steps outlined under Article 68(3) Directive 2014/59/EU and any relevant implementing measures in any member state against the Issuer.

For the purpose of this Condition 15:

**"EU BRRD Stay Powers"** means the powers of a relevant resolution authority to suspend or restrict rights and obligations under:

- (i) Article 33a (Power to suspend payment or delivery obligations);
- (ii) Article 69 (Power to suspend payment or delivery obligations);
- (iii) Article 70 (Power to restrict the enforcement of any security interest); and
- (iv) Article 71 (Power to temporarily suspend any termination right)

of Directive 2014/59/EU and any relevant implementing measures in any member state;

**"EU BRRD undertaking"** means an entity within the scope of Article 71a of Directive 2014/59/EU and any relevant implementing measures in any EEA member state; and

**"resolution measure"** means "resolution" or the application of a "resolution tool", "crisis prevention measure" or "crisis management measure" within the meaning of Directive 2014/59/EU and any relevant implementing measures in any member state.

## 16. 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 any 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 10 (*Prescription*).

## 17. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published (a) 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 Euronext Dublin's website, <https://live.euronext.com/>. 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 Bearer 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.

All notices regarding Book-Entry Notes may be given by delivery to the Holders by registered mail to the addresses appearing in the relevant registries maintained by Iberclear or, as the case may be, the relevant Iberclear Member or by any other means which comply with Spanish law and the rules applicable to the giving of notices to investors and, if the Book-Entry Notes are listed on AIAF, the rules of AIAF.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered 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.

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 holders of the Notes 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 holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Holder 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 Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **18. MEETINGS OF HOLDERS AND MODIFICATION**

### **18.1 In respect of Bearer Notes and Registered Notes**

This Condition contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions, the Coupons or any of the provisions of the Agency Agreement. The Agency Agreement contains certain additional provisions which regulate procedural matters in relation to meetings of Holders.

#### **(a) Evidence of entitlement to attend and vote**

The following persons (each an "**Eligible Person**") are entitled to attend and vote at a meeting of the holders of Notes:

- (i) a holder of any Notes in definitive form which is not held in an account with any clearing system;
- (ii) a bearer of any voting certificate in respect of the Notes; and
- (iii) a proxy specified in any block voting instruction;

A Holder may require the issue by any Paying Agent of voting certificates and block voting instructions in accordance with the terms of the Agency Agreement.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the Notes to which the voting certificate or block voting instruction relates and the Paying Agent with which the Notes have been deposited or the person holding the Notes to the order or

under the control of any Paying Agent shall be deemed for those purposes not to be the holder of those Notes.

(b) Convening of meetings, quorum, adjourned meetings

- (i) The Issuer may at any time and, if required in writing by Holders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Holders and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant Holders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Principal Paying Agent 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 Principal Paying Agent.
- (ii) At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Holders in the manner provided in Condition 17 (*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) state fully the effect on the holders of such Extraordinary resolution, if passed. The notice shall include statements as to the manner in which Holders may arrange for voting certificates or block voting instructions to be issued and, if applicable, appoint proxies or representatives. 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 Holder) 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 Holders present shall choose one of their number to be Chairperson failing which the Issuer may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.
- (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 Modifications**", each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):
  - (A) modification of the Maturity Date 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 (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); 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 Deed of Covenant; or
- (F) modification of the majority required to pass an Extraordinary Resolution; or
- (G) the sanctioning of any scheme or proposal described in Condition 18.1(c)(ix)(F); or
- (H) alteration of this proviso or the proviso to Condition 18.1(b)(v) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than three-fourths 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 Holders be dissolved. In any other 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 Principal Paying 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 Principal Paying 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 Basic Terms Modifications specified in the proviso to Condition 18.1(b)(iv) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-fourth 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 10 were substituted for 21 in Condition 18.1(b)(ii) and the notice shall state the relevant quorum.

(c) Conduct of business at meetings

- (i) Every question submitted to a meeting shall be decided in the first instance by a show of hands. A poll may be demanded (before or on the declaration of the result of the show of hands) by the Chairperson, the Issuer or any Eligible Person (whatever the amount of the Notes so held or represented by him). 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 duly demanded, 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 18.1(c)(vi), 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 and any director or officer of any of the Paying Agents may attend and speak at any meeting. Subject to this, but without prejudice to the proviso to the definition of "outstanding" in these Conditions, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes which are deemed not to be outstanding by virtue of the proviso to the definition of "outstanding" in these Conditions. 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 18.1(c)(vi), 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:
    - (1) each €1.00; and
    - (2) in the case of a meeting of the holders of Notes denominated in a currency other than Euro, the equivalent of €1.00 in that currency (calculated as specified in subclause 18.1(c)(xiii)(A) and 18.1(c)(xiii)(B)).

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 Holders.
- (ix) A meeting of the Holders shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in Conditions 18.1(c)(iv) and 18.1(c)(vi)), namely:
  - (A) power to approve any compromise or arrangement proposed to be made between the Issuer and the Holders and Couponholders or any of them;
  - (B) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders and Couponholders against the Issuer or against any of its property whether these rights arise under the Notes or the Coupons or otherwise and whether or not involving a reduction or cancellation of all or part of the principal, interest or other amounts payable in respect of the Notes or an extinguishment of some or all of the rights of the Holders in respect of the Notes;

- (C) power to agree to any modification of the provisions contained in the Agency Agreement or the Conditions, the Notes, the Coupons or the Deed of Covenant which is proposed by the Issuer;
  - (D) power to give any authority or approval which under the provisions of this Condition and Schedule 6 to the Agency Agreement or the Notes is required to be given by Extraordinary Resolution;
  - (E) power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;
  - (F) power to 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 (including an Extraordinary Resolution) (i) passed at a meeting of the Holders duly convened and held (ii) passed as a resolution in writing or (iii) passed by way of electronic consents given by Holders through the relevant clearing system(s), in accordance with the provisions of this Condition and Schedule 6 to the Agency Agreement, shall be binding upon all the Holders whether present or not present at the meeting referred to in (i) above and whether or not voting (including when passed as a resolution in writing or by way of electronic consent) 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 Holders shall be published in accordance with Condition 17 (*Notices*) by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.
  - (xi) 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.
  - (xii) Subject to all other provisions contained in this Condition and Schedule 6 to the Agency Agreement the Principal Paying Agent may without the consent of the Issuer, the Holders or the Couponholders prescribe any other regulations regarding the calling and/or the holding of meetings of Holders and attendance and voting at them as the Principal Paying Agent may in its sole discretion think fit (including, without limitation, the substitution for periods of 24 hours and 48 hours referred to in this Condition and Schedule 6 to the Agency Agreement of shorter periods). Any regulations prescribed by the Principal Paying Agent may but need not reflect the practices and facilities of any relevant clearing system. Notice of any other regulations may be given to Holders in accordance with Condition 17 (*Notices*) and/or at the time of service of any notice convening a meeting.
  - (xiii) If the Issuer has issued and has outstanding Notes which are not denominated in Euro, the nominal amount of such Notes shall:

- (A) for the purposes of Condition 18.1(b)(i) above, be the equivalent in Euro at the spot rate of a bank nominated by the Principal Paying Agent for the conversion of the relevant currency or currencies into Euro 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 Condition 18.1(b)(iv), 18.1(b)(vi) and 18.1(c)(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 Euro 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 €1.00 in nominal amount of the Notes (converted as above) which he holds or represents.

(d) Modifications

The Principal Paying Agent and the Issuer may agree, without the consent of the Holders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Holders; or
- (ii) any modification of the Notes, the Coupons, the Deed of Covenant or 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.

Any such modification shall be binding on the Holders and the Couponholders and any such modification shall be notified to the Holders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

(e) Definitions

In these Conditions:

**"block voting instruction"** means an English language document issued by a Paying Agent and dated:

- (i) which relates to a specified nominal amount of Notes and a meeting (or adjourned meeting) of the holders of the Series of which those Notes form part;
- (ii) in which it is certified that on the date thereof Notes (whether in definitive form or represented by a Global Note) (not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) are held to its order or under its control or are blocked in an account with a Clearing System and that no such Notes will cease to be so deposited or held or blocked until the first to occur of:
  - (A) the conclusion of the meeting specified in such block voting instruction; and
  - (B) the surrender to the Paying Agent, not less than 48 hours before the time for which such meeting is convened, of the receipt issued by such Paying Agent in respect of each such deposited Note which is to be released or (as the case may require) the Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with subclause 3.4 of Schedule 6 to the Agency Agreement of the necessary amendment to the block voting instruction;

- (iii) states that the Paying Agent has been instructed (either by the holders of the Notes or by a relevant clearing system) that the votes attributable to the Notes so blocked should be cast in accordance with the instructions given in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (iv) which identifies with regard to each resolution to be proposed at the meeting the nominal amount of Notes so blocked, distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and those in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and
- (v) which states that one or more named persons (each a proxy) is or are authorised and instructed by the Paying Agent to cast the votes attributable to the Notes identified in accordance with the instructions referred to in (d) above as set out in the block voting instruction;

**"Extraordinary Resolution"** means;

- (i) a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition and Schedule 6 to the Agency Agreement 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;
- (ii) a resolution in writing signed by or on behalf of 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 Holders; or
- (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding.

**"outstanding"** means, in relation to the Notes of any Series, all the Notes issued other than:

- (i) those Notes which have been redeemed and cancelled pursuant to the Conditions;
- (ii) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the Conditions after that date) have been duly paid to or to the order of the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the Holders in accordance with the Conditions) and remain available for payment of the relevant Notes and/or Coupons;
- (iii) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (iv) those Notes in respect of which claims have become prescribed under the Conditions;
- (v) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued under the Conditions;
- (vi) (for the purpose only of ascertaining the nominal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued under the Conditions;
- (vii) any Temporary Bearer Global Note to the extent that it has been exchanged for Definitive Bearer Notes or a Permanent Bearer Global Note and any Permanent Bearer



Global Note to the extent that it has been exchanged for Definitive Bearer Notes in each case under its provisions; and

- (viii) any Registered Global Note to the extent that it has been exchanged for Definitive Registered Notes and any Definitive Registered Note to the extent it has been exchanged for an interest in a Registered Global Note,

provided that for the purpose of:

- (i) attending and voting at any meeting of the Holders of the Series, passing an Extraordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents given through the relevant clearing systems as envisaged by these Conditions and the terms of the Agency Agreement; and
- (ii) determining how many and which Notes of the Series are for the time being outstanding for the purposes of Condition 18.1,

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;

**"a relevant clearing system"** means, in respect of any Notes, any clearing system on behalf of which such Note is held or which is the bearer or (directly or through a nominee) registered owner of a Note, in each case whether alone or jointly with any other clearing system(s);

**"voting certificate"** means an English language certificate issued by a Paying Agent and dated in which it is stated:

- (i) that on the date thereof Notes (whether in definitive form or represented by a Global Note) (not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate) where deposited with such Paying Agent or (to the satisfaction of such Paying Agent) are held to its order or under its control or are blocked in an account with a Clearing System and that no such Notes will cease to be so deposited or held or blocked until the first occur of:
  - (A) the conclusion of the meeting specified in such voting certificate; and
  - (B) the surrender of the voting certificate to the Paying Agent who issued the same; and
- (ii) that the bearer of the voting certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the Notes represented by the certificate;

**"24 hours"** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where the meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day on which the meeting is to be held) and that period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included all or part of a day on which banks are open for business in all of the places where the Paying Agents have their specified offices; and

**"48 hours"** means a period of 48 hours including all or part of two days on which banks are open for business both in the place where the meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day on which the meeting is to be held) and that period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included all or part of two days on which banks are open for business in all of the places where the Paying Agents have their specified offices.

References in this Condition 18.1 to the Notes are to the Series of Notes in respect of which the meeting is, or is proposed to be, convened.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

## 18.2 In respect of Book-Entry Notes

This Condition contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions.

(a) Evidence of entitlement to attend and vote

Holders of Book-Entry Notes who evidence their condition as such ("**Eligible Persons**") are entitled to attend and vote at a meeting of the holders of Notes.

(b) Convening of meetings, quorum, adjourned meetings

- (i) The Issuer may at any time and, if required in writing by Holders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Holders and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant Holders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Local Paying Agent 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.
- (ii) At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Holders in the manner provided in Condition 17 (*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) state fully the effect on the holders of such Extraordinary resolution, if passed. The notice shall include statements as to the manner in which Holders are entitled to attend and vote at the meeting. 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 Holder) 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 Holders present shall choose one of their number to be Chairperson failing which the Issuer may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.
- (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 Book-Entry 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 Book-Entry Notes for the time being outstanding provided that at any meeting the business of which includes any of the following matters ("**Basic Terms Modifications**", each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):
  - (A) modification of the Maturity Date of the Book-Entry 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 Book-Entry Notes or variation

of the method of calculating the rate of interest in respect of the Book-Entry Notes (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 Book-Entry 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 Book-Entry Notes are to be made; or
- (E) modification of the Book-Entry Deed of Covenant; or
- (F) modification of the majority required to pass an Extraordinary Resolution; or
- (G) the sanctioning of any scheme or proposal described in Condition 18.2(c)(ix)(F); or
- (H) alteration of this proviso or the proviso to Condition 18.2(b)(v) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than three-fourths in nominal amount of the Book-Entry 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 Holders be dissolved. In any other 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). 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 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 Basic Terms Modifications specified in the proviso to Condition 18.2(b)(iv) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-fourth in nominal amount of the Book-Entry 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 10 were substituted for 21 in Condition 18.2(b)(ii) and the notice shall state the relevant quorum.

(c) Conduct of business at meetings

- (i) Every question submitted to a meeting shall be decided in the first instance by a show of hands. A poll may be demanded (before or on the declaration of the result of the show of hands) by the Chairperson, the Issuer or any Eligible Person (whatever the amount of the Book-Entry Notes so held or represented by it). 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 duly demanded, 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 18.2(c)(vi), 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 these Conditions, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes which are deemed not to be outstanding by virtue of the proviso to the definition of "outstanding" in these Conditions. Nothing contained in this paragraph shall prevent any of the proxies appointed by any Holder from being a director, officer or representative of or otherwise connected with the Issuer.
- (vii) Subject as provided in Condition 18.2(c)(vi), at any meeting:
  - (A) on a show of hands every Eligible Person present shall have one vote; and
  - (B) on a poll every Eligible Person present shall have one vote in respect of each Book-Entry Note.

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 by any Holder need not be Holders.
- (ix) A meeting of the Holders shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in Conditions 18.2(c)(iv) and 18.2(c)(vi)), namely:
  - (A) power to approve any compromise or arrangement proposed to be made between the Issuer and the Holders;
  - (B) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders against the Issuer or against any of its property whether these rights arise under the Notes or otherwise and whether or not involving a reduction or cancellation of all or part of the principal, interest or other amounts payable in respect of the Book-Entry Notes or an extinguishment of some or all of the rights of the Holders in respect of the Book-Entry Notes;

- (C) power to agree to any modification of the provisions contained in the Conditions or the Book-Entry Deed of Covenant which is proposed by the Issuer;
  - (D) power to give any authority or approval which under the provisions of this Condition or the Book-Entry Notes is required to be given by Extraordinary Resolution;
  - (E) power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;
  - (F) power to approve any scheme or proposal for the exchange or sale of the Book-Entry Notes for, or the conversion of the Book-Entry Notes into, or the cancellation of the Book-Entry 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 Book-Entry Notes.
- (x) Any resolution (including an Extraordinary Resolution) (i) passed at a meeting of the Holders duly convened and held (ii) passed as a resolution in writing or (iii) passed by way of electronic consents given by Holders through the relevant clearing system(s), in accordance with the provisions of this Condition, shall be binding upon all the Holders whether present or not present at the meeting referred to in (i) above and whether or not voting (including when passed as a resolution in writing or by way of electronic consent) and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Holders shall be published in accordance with Condition 17 (*Notices*) by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.
- (xi) 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.
- (d) Definitions

In these Conditions:

**"Extraordinary Resolution"** means;

- (i) a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 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;
- (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Book-Entry 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 Holders; or

- (iii) consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Book-Entry Notes for the time being outstanding.

"**outstanding**" means, in relation to the Book-Entry Notes of any Series, all the Book-Entry Notes issued other than:

- (i) those Book-Entry Notes which have been redeemed pursuant to the Conditions;
- (ii) those Book-Entry Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the Conditions after that date) have been duly paid to or to the order of the Local Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the Holders in accordance with the Conditions) and remain available for payment of the relevant Book-Entry Notes;
- (iii) those Book-Entry Notes which have been purchased and redeemed in accordance with the Conditions;
- (iv) those Book-Entry Notes in respect of which claims have become prescribed under the Conditions,

provided that for the purpose of:

- (i) attending and voting at any meeting of the Holders of the Series, passing an Extraordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents given through the relevant clearing systems as envisaged by these Conditions; and
- (ii) determining how many and which Book-Entry Notes of the Series are for the time being outstanding for the purposes of Condition 18.2,

those Book-Entry 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;

References in this Condition 18.2 to the Book-Entry Notes are to the Series of Book-Entry Notes in respect of which the meeting is, or is proposed to be, convened.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

## **19. FURTHER ISSUES**

To the extent permitted by applicable laws and regulations and subject to the approval of relevant governmental authority or agency (if any), the Issuer shall be at liberty from time to time without the consent of the Holders 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.

## **20. SUBSTITUTION OF THE ISSUER**

- (a) The Issuer (or any previous substitute under this Condition) may, with respect to any Series of Notes issued by it (the "**Relevant Notes**"), without the further consent of the Holders 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 Competent Authority and/or the Relevant Resolution Authority, if and as applicable (if such permission is required), be replaced and substituted by any of its wholly owned Subsidiaries or by any other entity which is a Member to whom the Issuer shall have transferred the whole or a substantial part of its assets and liabilities pursuant to a Permitted Reorganisation (a

"**Transferee**") as the principal debtor in respect of the Notes, Coupons, Talons and the Deed of Covenant or the Book-Entry Deed of Covenant, as applicable (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 20) and the Substituted Debtor have granted or entered into a deed poll and/or 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 Holder of the Relevant Notes to be bound by these Conditions and the provisions of the Agency Agreement and (in the case of English Law Notes) the Deed of Covenant or the Book-Entry Deed of Covenant, as applicable, as the debtor in respect of such Notes in place of the Issuer (or of any previous substitute under this Condition 20) and pursuant to which the Issuer (except where the Substituted Debtor is a Transferee) shall unconditionally and irrevocably guarantee (the "**New Guarantee**") in favour of each Holder 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 Holder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 9 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence. The Documents also contain a covenant by the Substituted Debtor and the Issuer (except where the Substituted Debtor is a Transferee) to indemnify and hold harmless each Holder 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 20 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 Holder by any political subdivision or taxing authority of any country in which such Holder 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 (except where the Substituted Debtor is a Transferee) 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 Principal Paying Agent (from whom copies will be available for viewing at its offices on a non-reliance basis) from lawyers of recognised standing in the country of incorporation of the Substituted Debtor and the country which laws governs the relevant Notes, 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 Principal Paying Agent (from whom copies will be available for viewing at its offices on a non-reliance basis) 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 Principal Paying Agent (from whom copies will be available for viewing at its offices on a non-reliance basis) from lawyers of recognised standing in the relevant jurisdiction 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 the relevant applicable law;
  - (ix) any rating agency which has issued a rating in connection with the Relevant Notes shall have confirmed to the Issuer 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;
  - (xi) not, immediately following such substitution, be subject to (i) in the case of MREL Eligible Ordinary Senior Notes, Senior Non Preferred Notes, Senior Subordinated Notes or Tier 2 Subordinated Notes with Eligible Liabilities Event specified as applicable in the applicable Final Terms, an Eligible Liabilities Event or Tax Event; and (ii) in the case of Tier 2 Subordinated Notes with Capital Event specified as applicable in the applicable Final Terms, a Capital Event or a Tax Event; and
  - (xii) the substitution complies with all applicable requirements established under the laws of jurisdiction of the Substituted Debtor.
- (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 20) under the Relevant Notes and any related Coupons or Talons and the Agency Agreement and (in the case of English Law Notes) the Deed of Covenant or the Book-Entry Deed of Covenant, as applicable, 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 or the Book-Entry Deed of Covenant, as applicable.
- (c) After a substitution pursuant to Condition 20(a), the Substituted Debtor may, without the further consent of any Holder, effect a further substitution. All the provisions specified in Condition 20(a) and 20(b) shall apply, mutatis mutandis, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (d) After a substitution pursuant to Condition 20(a) or 20(c) any Substituted Debtor may, without the further consent of any Holder, reverse the substitution, mutatis mutandis.
- (e) The Documents shall be delivered to, and kept by, the Principal Paying Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor by any Holder 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 Holders in accordance with Condition 17 (*Notices*).



## 21. SUBSTITUTION AND VARIATION

This Condition 21 applies to MREL Eligible Ordinary Senior Notes, Senior Non Preferred Notes and Subordinated Notes and references to "**Notes**" shall be construed accordingly.

If a Capital Event, an Eligible Liabilities Event, a circumstance giving rise to the right of the Issuer to redeem the MREL Eligible Ordinary Senior Notes, Subordinated Notes or Senior Non Preferred Notes under Condition 8.2 (*Redemption for tax reasons*) (a "**Tax Event**") or an Alignment Event occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes (including changing the governing law of the Notes from English law to Spanish law), without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to become or remain, Qualifying Notes, subject to having given not less than 5 nor more than 30 days' notice to the Holders in accordance with Condition 17 (*Notices*), the Principal Paying Agent and the Local Paying Agent (in the case of Book-Entry Notes) (which notice shall be irrevocable and specify the date for substitution or, as applicable, variation), and subject to obtaining the prior permission of the Competent Authority and/or Relevant Resolution Authority if and as applicable (if such permission is 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 Holders 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 Holders.

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

In the Conditions:

An "**Alignment Event**" is deemed to have occurred if there is a change in, or amendment to, the Applicable Banking Regulations (including, for the avoidance of doubt, the Applicable MREL Regulations) or any change in the application or interpretation thereof, that results in (i) 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; or (ii) the requirements for Tier 2 Subordinated Notes to qualify as Tier 2 Instruments, being different in any respect from the Conditions, provided that if an event or circumstance which would otherwise constitute an Alignment Event also constitutes a Capital Event or an Eligible Liabilities Event, it will be treated as a Capital Event or as an Eligible Liabilities Event (as applicable) and will not constitute an Alignment Event.

"**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 Holders than the terms of the MREL Eligible Ordinary Senior Notes, 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 Holders in accordance with Condition 17 (*Notices*), the Principal Paying Agent and the Local Paying Agent (in the case of Book-Entry Notes) 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) in the case of MREL Eligible Ordinary Senior Notes, contain terms that comply with the then current requirements for MREL-Eligible Senior Preferred Instruments of the Issuer and/or the GCC 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 GCC 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 GCC 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) an Eligible Liabilities Event or an early redemption right for taxation reasons according to Condition 8.2; and (ii) in the case of Tier 2 Subordinated Notes, a Capital Event; 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 purposes of the definition of Qualifying Notes, (i) any change in the governing law of the 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 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 3 (*Status of the Senior Notes and Subordinated Notes*) resulting from any such substitution or modification shall be deemed not to be materially less favourable to the interests of the Holders 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.

## **22. 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.

## **23. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

The governing law of the Notes will be specified in Part A of the applicable Final Terms.

### **23.1 English Law**

This Condition 23.1 applies to English Law Notes.

#### **(a) Governing law:**

The Notes (except for Conditions 1.5, 3 and 14), the Coupons and any non-contractual obligations arising out of or in connection with the Notes (except for Conditions 1.5, 3 and 14), and the Coupons are governed by, and shall be construed in accordance with, English law. Conditions 1.5, 3 and 14 (and any non-contractual obligations arising out of or in connection with either of them) are governed by, and shall be construed in accordance with, Spanish law. The Notes are issued in accordance with the formalities prescribed by Spanish company law.

#### **(b) Submission to jurisdiction:**

- (i) Subject to Condition 23.1(b)(iii) and (iv) 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 Holders

or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (ii) For the purposes of this Condition 23.1, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) To the extent allowed by law, the Holders 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.
- (iv) Notwithstanding the above, each of the Issuer and any Holder submits to the exclusive jurisdiction of the Spanish courts, in particular, to the venue of the city of Madrid, in relation to any dispute arising out of or in connection with the application of any Loss Absorbing Power by the Relevant Resolution Authority (a "**Bail-in Dispute**"). Each of the Issuer and any Holder or Couponholder 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.

(c) Appointment of Process Agent:

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX 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 Law Debenture Corporate Services Limited 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.

## 23.2 Spanish Law

This Condition 23.2 applies to Spanish Law Notes.

(a) Governing law:

The Notes, any non-contractual obligations arising out of or in connection with the Notes and the application of any Loss Absorbing Power by the Relevant Resolution Authority shall be governed by, and construed in accordance with, Spanish law.

(b) Submission to jurisdiction:

The Issuer hereby irrevocably agrees for the benefit of the Holders that the courts of Spain in the city of Madrid, Spain are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes) and that accordingly any suit, action or proceedings arising out of or in connection with the Notes (together referred to as "**Proceedings**") may be brought in such courts. The Issuer irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any Proceedings in the courts of the city of Madrid, Spain. To the extent permitted by law, nothing contained in this Condition 23.2 shall limit any right of any Holders or Couponholders (other than in relation to any Bail-in Dispute) to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not.

In addition, the courts of Spain in the city of Madrid have exclusive jurisdiction to settle any Bail-in Dispute and accordingly each of the Issuer and any Holders or Couponholders in relation to any Bail-in Dispute submits to the exclusive jurisdiction of the courts of Spain in the city of Madrid. Each of the Issuer and any Holders or Couponholders in relation to any 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.

### **23.3 Other documents**

The Issuer has in the Agency Agreement, the Deed of Covenant and the Book-Entry Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## FORM OF COVERED BONDS FINAL TERMS

**[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 Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds 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 Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative market*] Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (by either adopting or refining the manufacturer[*s/s*] target market assessment) and determining appropriate distribution channels.]<sup>11</sup>

**[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 Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds 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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") / 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 Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]

**[PRIIPs / IMPORTANT - EEA RETAIL INVESTORS** – The Covered Bonds 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 the 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 Regulation (EU) 2017/1129. Consequently, no key information document ("**KID**") required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>12</sup>

**[UK PRIIPs / IMPORTANT - UK RETAIL INVESTORS** – The Covered Bonds 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 (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 UK domestic law 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 UK domestic law 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 UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and

<sup>11</sup> Legend to be included if the product governance requirements under MiFID II apply to the relevant Tranche in accordance with Directive (EU) 2021/338 (as implemented in the relevant Member States).

<sup>12</sup> Legend to be included on front of the Covered Bonds Final Terms (i) if the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or (ii) 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".

therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] <sup>13</sup>

**[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 Covered Bonds 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).]**

[Date]

**[CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CRÉDITO]<sup>14</sup>**

**[(LEI: 635400CE9HHFB55PEY43)]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]  
under the EURO 7,000,000,000  
Euro Medium Term Note and European Covered Bond (Premium) Programme**

## **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Covered Bonds set forth in the Base Prospectus dated 7 June 2024 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation and any implementing measure in a relevant Member State of the European Economic Area (the "**Base Prospectus**"). This document constitutes the Covered Bonds Final Terms of the Covered Bonds 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 the Issuer at [[www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/)] / <https://www.cajamar.es/en/comun/informacion-corporativa/>]. In addition, if the Covered Bonds are to be admitted to trading on [the regulated market of Euronext Dublin / AIAF / other], copies of the Covered Bonds Final Terms will be published on the website of the Issuer at [[www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/)] / <https://www.cajamar.es/en/comun/informacion-corporativa/>].

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.]<sup>15</sup>

*[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 subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Covered Bonds Final Terms.]*

- 1 Issuer: [Cajamar Caja Rural, Sociedad Cooperativa de Crédito]<sup>16</sup>

<sup>13</sup> Legend to be included on the front of the Covered Bonds Final Terms if the Covered Bonds 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".

<sup>14</sup> This form of Covered Bonds Final Terms may be used for the issuance of Mortgage Covered Bonds by BCC upon (i) obtaining the relevant authorisation of the Bank of Spain for the creation of a covered bond programme for the issuance of Mortgage Covered Bonds and (ii) the relevant supplement to the Base Prospectus to incorporate BCC as Issuer of Mortgage Covered Bonds under the Programme having been approved by the Central Bank of Ireland and subsequently published.

<sup>15</sup> In the case of Covered Bonds to be listed on a non-regulated market, references to the Prospectus Regulation to be removed.

<sup>16</sup> This form of Covered Bonds Final Terms may be used for the issuance of Mortgage Covered Bonds by BCC upon (i) obtaining the relevant authorisation of the Bank of Spain for the creation of a covered bond programme for the issuance of Mortgage Covered Bonds and (ii) the relevant supplement to the Base Prospectus to incorporate BCC as Issuer of Mortgage Covered Bonds under the Programme having been approved by the Central Bank of Ireland and subsequently published.

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- (a) Type of Covered Bond: [Mortgage Covered Bond / Public Sector Covered Bond]
- (b) Series Number: [     ]
- (c) Tranche Number: [     ]
- (d) Date on which the Covered Bonds will be consolidated and form a single Series: The Covered Bonds will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Covered Bond for interests in the Permanent Bearer Global Covered Bond, as referred to in paragraph [     ] below, which is expected to occur on or about [date]][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 [*insert date*] (if applicable)]
- 6 (a) Specified Denominations: [     ]
- (N.B. Covered Bonds must have a minimum denomination of €100,000 (or equivalent) in the case of Covered Bonds to be admitted to trading on a regulated market for the purposes of MiFID II and be in integral multiples of €100,000 (or the Specified Denomination))*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [     ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

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- (a) Issue Date: [     ]
- (b) Interest Commencement Date: [*specify/Issue Date/Not Applicable*]
- 8 Maturity Date: *Specify date or for Floating Rate Covered Bonds – Interest Payment Date falling in or nearest to [*specify month and year*]*
- 9 Extended Maturity: [Applicable. If any of the triggering circumstances for an extension of maturity set forth in article 15 of Royal Decree-Law 24/2021 occurs, payment of the unpaid Final Redemption Amount may be deferred by the

- Issuer or the Special Cover Pool Administrator (as applicable) up to the Extended Maturity Date, subject to and in the circumstances contemplated in Royal Decree-Law 24/2021, and subject to the prior permission of the Bank of Spain. See further paragraph [18] below.] [Not Applicable]
- 10 Extended Maturity Date:
- [Fixed Rate Covered Bonds – specify date / Floating Rate Covered Bonds – Interest Payment Date falling in or nearest to [specify month and year]] / [Not Applicable]*
- (The Extended Maturity Date must fall no later than twelve months after the Maturity Date)*
- 11 Interest Basis:
- [In respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date,
- [[ ] per cent. Fixed Rate]
- [[[ ] month [EURIBOR/€STR/SONIA/SOFR]] +/- [ ] per cent. Floating Rate]
- (see paragraph [16]/ [17] below)
- [In respect of the period from (and including) the Maturity Date to (but excluding) the Extended Maturity Date (if applicable),
- [[ ] per cent. Fixed Rate]
- [[[ ] month [EURIBOR/€STR/SONIA/SOFR]] +/- [ ] per cent. Floating Rate]
- (see paragraph [18] below)
- 12 Redemption[/Payment] Basis:
- Subject to any purchase and cancellation or early redemption and paragraph 9 above, the Covered Bonds will be redeemed on the Maturity Date at [100 / [ ] per cent. of their nominal amount
- 13 Change of Interest Basis:
- [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs [16][17] and [18] below and identify there][Not Applicable]*
- 14 Call Options:
- [Issuer Call pursuant to Condition 7.3 of the Conditions of the Covered Bonds is [Applicable / Not Applicable] [see paragraph 20 below]]
- [Issuer Call – Clean-Up Redemption Option pursuant to Condition 7.4 of the Conditions of the Covered Bonds is [Applicable/Not Applicable][see paragraph 21 below]]
- 15 [Date [Board] approval for issuance of Covered Bonds obtained:
- [ ] [and [ ]], respectively]] [Not Applicable]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds)*



## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 Fixed Rate Covered Bond Provisions: [Applicable/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, with the first Interest Payment Date falling on [ ]
- (c) Fixed Coupon Amount(s) for Covered Bonds in definitive form (and in relation to Covered Bonds in global form see Conditions): [ ] per Calculation Amount
- (d) Broken Amount(s) for Covered Bonds in definitive form (and in relation to Covered Bonds in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (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)*
- 17 Floating Rate Covered Bond Provisions: [Applicable/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 Principal Paying Agent or the Local Paying Agent, as applicable): [ ]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*

- Reference Rate: [•][•] [EURIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index]
- Observation Method: [Lag / Observation Shift]
- Lag Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]  
  
*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]  
  
*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[ ]] / [Not Applicable]
- Index Determination: [Applicable/Not Applicable]
- SONIA Compounded Index: [Applicable/Not Applicable]
- SOFR Compounded Index: [Applicable/Not Applicable]
- Relevant Decimal Place: [ ] [5/7] *(unless otherwise specified in the Covered Bonds Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)*
- Relevant Number of Index Days: [ ] [5] *(unless otherwise specified in the Covered Bonds Final Terms, the Relevant Number shall be 5)*

**[END OF OPTION]**

- Interest Determination Date(s): [The first Business Day in the relevant Interest Period]/ *(select where Interest Determination Date has the meaning specified in Condition 5.2(b)(III), (IV) or (V)* [•] [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to each Interest Payment Date]
- Relevant Screen Page: [•]
- Relevant Time: [•]
- Relevant Financial Centre: [•]
- (g) ISDA Determination: [Applicable/Not Applicable]  
  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- Floating Rate Option: [•]

*(The Floating Rate Option should be selected from one of EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions)*

- Designated Maturity: [•]  
*(Delegated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- Reset Date: [•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(b)] above and as specified in the ISDA Definitions]
- Compounding: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Compounding Method: [Compounding with Lookback  
Lookback: [•] Applicable Business Days  
[Compounding with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
Observation Period Shift Additional Business Days: [•] / [Not Applicable]]  
[Compounding with Lockout  
Lockout: [•] Lockout Period Business Days  
Lockout Period Business Days: [•]/[Applicable Business Days]]
- Averaging: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Averaging Method: [Averaging with Lookback  
Lookback: [•] Applicable Business Days  
[Averaging with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business days

	Observation Period Shift Additional Business Days: [•]/[Not Applicable]]
	[Averaging with Lockout
	Lookout: [•] Lockout Period Business Days
	Lockout Period Business Days: [•]/[Applicable Business Days]]
• Index Provisions:	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
• Index Method:	Compounded Index Method with Observation Period Shift
	Observation Period Shift: [•] Observation Period Shift Business days
	Observation Period Shift Additional Business Days: [•] / [Not Applicable]
(h) Linear Interpolation:	[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(i) Margin(s):	[+/-] [ ] per cent. per annum
(j) Minimum Rate of Interest:	[ ] per cent. per annum
(k) Maximum Rate of Interest:	[ ] per cent. per annum
(l) 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)]
(m) Calculation Agent	<i>[Specify entity responsible for seeking quotations in accordance with Condition 5.2]</i>
18 Extended Maturity Interest Rate Provisions:	[Applicable from (and including) the Maturity Date to (but excluding) the Extended Maturity Date / Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a) Fixed Rate Covered Bond Provisions	[Applicable / Not Applicable]

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

- (i) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date, with the first Interest Payment Date falling on [ ]
- (iii) Fixed Coupon Amount(s) for Covered Bonds in definitive form (and in relation to Covered Bonds in global form see Conditions): [ ] per Calculation Amount
- (iv) Broken Amount(s) for Covered Bonds in definitive form (and in relation to Covered Bonds in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (vi) 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)*

- (b) Floating Rate Provisions [Applicable / Not Applicable]

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

- (i) 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]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent or the Local Paying Agent, as applicable): [ ]
- (vi) Screen Rate Determination: [Applicable/Not Applicable]

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

- Reference Rate: [•][•] [EURIBOR/SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index]
- Observation Method: [Lag / Observation Shift]
- Lag Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]  
  
*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]  
  
*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[ ]] / [Not Applicable]
- Index Determination: [Applicable/Not Applicable]
- SONIA Compounded Index: [Applicable/Not Applicable]
- SOFR Compounded Index: [Applicable/Not Applicable]
- Relevant Decimal Place: [ ] [5/7] *(unless otherwise specified in the Covered Bonds Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)*
- Relevant Number of Index Days: [ ] [5] *(unless otherwise specified in the Covered Bonds Final Terms, the Relevant Number shall be 5)*

**[END OF OPTION]**

- Interest Determination Date(s): [The first Business Day in the relevant Interest Period]/ *(select where Interest Determination Date has the meaning specified in Condition 5.2(b)(III), (IV) or (V)* [•] [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to each Interest Payment Date]
- Relevant Screen Page: [•]
- Relevant Time: [•]
- Relevant Financial Centre: [•]
- (vii) ISDA Determination: [Applicable/Not Applicable]  
  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- Floating Rate Option: [•]

*(The Floating Rate Option should be selected from one of EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions)*

- Designated Maturity: [•]  
*(Delegated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- Reset Date: [•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(ii)] above and as specified in the ISDA Definitions]
- Compounding: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Compounding Method: [Compounding with Lookback  
Lookback: [•] Applicable Business Days  
[Compounding with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
Observation Period Shift Additional Business Days: [•] / [Not Applicable]]  
[Compounding with Lockout  
Lockout: [•] Lockout Period Business Days  
Lockout Period Business Days: [•]/[Applicable Business Days]]
- Averaging: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Averaging Method: [Averaging with Lookback  
Lookback: [•] Applicable Business Days  
[Averaging with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business days  
Observation Period Shift Additional Business Days: [•]/[Not Applicable]]

	[Averaging with Lockout]
	Lookout: [•] Lockout Period Business Days
	Lockout Period Business Days: [•]/[Applicable Business Days]
• Index Provisions:	[Applicable/Not Applicable]
	<i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
• Index Method:	Compounded Index Method with Observation Period Shift
	Observation Period Shift: [•] Observation Period Shift Business days
	Observation Period Shift Additional Business Days: [•] / [Not Applicable]
(viii) Linear interpolation:	[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(ix) Margin(s):	[+/-] [ ] per cent. per annum
(x) Minimum Rate of Interest:	[ ] per cent. per annum
(xi) Maximum Rate of Interest:	[ ] per cent. per annum
(xii) 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

19 Notice periods for Condition 7.2 of the Conditions of the Covered Bonds ( <i>Redemption for tax reasons</i> ):	Minimum period: [30] days Maximum period: [60] days
20 Issuer Call (Condition 7.3 of the Conditions of the Covered Bonds):	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(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: [     ]

(e) Notice periods: Minimum period [15] days

Maximum period: [60] days

*(N.B. 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 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)*

21 Clean-Up Redemption at the Option of the Issuer (pursuant to Condition 7.4 of the Conditions of the Covered Bonds): [Applicable/Not Applicable]

(a) Clean-Up Percentage: [[75] per cent. / [•] per cent.]

(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Covered Bond / [•]

22 Final Redemption Amount: [     ] per Calculation Amount

23 Early Redemption Amount: [     ] per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

24 Form of Covered Bonds:

1. Form:

[Bearer Covered Bonds:[Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Definitive Covered Bonds upon an Exchange Event]

[Temporary Bearer Global Covered Bond exchangeable for Definitive Covered Bonds on and after the Exchange Date]

[Permanent Bearer Global Covered Bond exchangeable for Definitive Covered Bonds upon an Exchange Event]

[Covered Bonds 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 14 December 2005]

[Registered Covered Bonds:

[Global Covered Bond registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

- [Book-Entry Covered Bonds: [Uncertificated, dematerialised book-entry form Covered Bonds (*anotaciones en cuenta*) registered with Iberclear (Plaza de la Lealtad, 1, 28014 Madrid)][other] [as managing entity of the Central Registry][other registry]][other]
2. [New Global Covered Bond: [Yes][No]]
3. [New Safekeeping Structure: [Yes][No]]
- 25 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 subparagraphs 17(c) relates)*
- 26 Talons for future Coupons to be attached to Definitive Covered Bonds: [Yes, as the Covered Bonds 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]
- 27 Substitute assets (*activos de sustitución*): [No / Yes]
- 28 Contractual over-collateralisation: [[ ]% / Not Applicable]
- 29 Derivative financial instruments linked to each issue: [No / [details]]

### [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 [Cajamar Caja Rural, Sociedad Cooperativa de Crédito]<sup>17</sup>

By:

Duly authorised [pursuant to the resolutions of the [•]  
of the Issuer dated [•]]

<sup>17</sup> This form of Covered Bonds Final Terms may be used for the issuance of Mortgage Covered Bonds by BCC upon (i) obtaining the relevant authorisation of the Bank of Spain for the creation of a covered bond programme for the issuance of Mortgage Covered Bonds and (ii) the relevant supplement to the Base Prospectus to incorporate BCC as Issuer of Mortgage Covered Bonds under the Programme having been approved by the Central Bank of Ireland and subsequently published.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application [has been]/[will be] made by the Issuer (or on its behalf) to Euronext Dublin for the Covered Bonds to be admitted to [the Official List of Euronext Dublin] and admitted to trading on [the regulated market of Euronext Dublin] with effect from [     ].]
- [Application [has been]/[will be] made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on AIAF] [with effect from [     ].]
- (Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.)*
- (ii) Estimate of total expenses related to admission to trading: [     ]
- (iii) Trade date: [     ]

### 2. RATINGS

- Ratings: [The Covered Bonds to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Covered Bonds 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].*
- Option 1 - CRA established in the EEA and registered under the EU CRA Regulation***
- [[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) (the "**CRA Regulation**")][[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>].
- Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration***
- [Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority]. *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit

rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>].

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

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation").

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

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

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

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

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

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

*[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 Covered Bonds where the issue has been specifically rated, that rating.)*

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

[Save for any fees payable to the [Managers/Dealers/Calculation Agent], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers/Calculation Agent] 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*]

*(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

(i) Reasons for the offer: [General financing requirements of the GCC 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 Covered Bonds are intended to be issued as [Green Covered Bonds / Social Covered Bonds / Sustainability Covered Bonds] and the net proceeds of the issuance of the Covered Bonds will be used as described in "Use of Proceeds" in the Base Prospectus]

(ii) Estimated net proceeds: [ ]

### 5. YIELD (*Fixed Rate Covered Bonds only*)

Indication of yield: [ ]

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

### 6. OPERATIONAL INFORMATION

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) Any clearing system(s) other than Iberclear, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(iv) [Subscription and payment:] [The Covered Bonds have been subscribed and paid up on [•]]

(v) Delivery: Delivery [against/free of] payment

(vi) Names and addresses of additional Paying Agent(s) (if any): [ ]

(vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Covered Bonds which are to be held under the NSS] and does not necessarily mean that the Covered Bonds will be recognised as

eligible collateral for Eurosystem monetary policy and intraday 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 Covered Bonds Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][include this text for Registered Covered Bonds]. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.]]

[Not Applicable]

## 7. DISTRIBUTION

- |  |  |
|--|--|
| (i) Method of distribution:                        | [Syndicated/Non-syndicated]  |
| (ii) If syndicated, names of Managers:             | [Not Applicable/give <i>names</i> ]  |
| (iii) Stabilisation Manager(s) (if any):           | [Not Applicable/give <i>name</i> ]   |
| (iv) If non-syndicated, name of relevant Dealer:   | [Not Applicable/give <i>name</i> ]   |
| (v) U.S. Selling Restrictions:                     | [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]   |
| (vi) Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]  |
|  | <i>(If the Covered Bonds clearly do not constitute "packaged" products "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)</i>           |
| (vii) Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]  |
|  | <i>(If the Covered Bonds clearly do not constitute "packaged" products "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified.)</i> |

## TERMS AND CONDITIONS OF THE EUROPEAN COVERED BONDS (*PREMIUM*)

*The following are the Terms and Conditions of the Covered Bonds which will be attached to each Global Covered Bond (as defined below) and each definitive Covered Bond, as well. The applicable Covered Bonds Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and definitive Covered Bond. Reference should be made to "Applicable Covered Bonds Final Terms" for a description of the content of Covered Bonds Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds. The Terms and Conditions of the Covered Bonds and the Applicable Final Terms will apply to Book-Entry Covered Bonds.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Cajamar Caja Rural, Sociedad Cooperativa de Crédito ("**Cajamar**" or the "**Issuer**") pursuant (in the case of Bearer Covered Bonds and Registered Covered Bonds) to the Agency Agreement (as defined below)<sup>18</sup>.

This Covered Bond will be considered a European Covered Bond (Premium) (*Bono Garantizado Europeo (Premium)*) pursuant to article 4.3 of Royal Decree-Law 24/2021.

*On 6 July 2022, the Bank of Spain authorised the covered bond programmes of Cajamar for the issuance of Mortgage Covered Bonds and Public Sector Covered Bonds for an aggregate amount of EUR 8,500,000,000, and with a validity period expiring on 6 July 2025. The Mortgage Covered Bonds and Public Sector Covered Bonds issued under the Programme will form part of the relevant covered bond programme of Cajamar and will be collateralised by the relevant Cover Pool. The Terms and Conditions of the Covered Bonds are compatible and do not contradict the terms of the covered bond programmes.*

References herein to the "**Covered Bonds**" shall be references to the Covered Bonds of this Series and shall mean:

- (a) in relation to any Covered Bonds represented by a global Covered Bond (a "**Global Covered Bond**"), units of each Specified Denomination in the Specified Currency;
- (b) any Global Covered Bond;
- (c) any definitive Covered Bonds in bearer form ("**Bearer Covered Bonds**") issued in exchange for a Global Covered Bond in bearer form);
- (d) any definitive Covered Bonds in registered form ("**Registered Covered Bonds**") (whether or not issued in exchange for a Global Covered Bond in registered form); and
- (e) in respect of Covered Bonds in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) ("**Book-Entry Covered Bonds**"), units of each Specified Denomination in the Specified Currency.

The Covered Bonds (other than the Book-Entry Covered Bonds) 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 7 June 2024 and made between the Issuers, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Deutsche Bank Luxembourg, S.A. as registrar (the "**Registrar**", which expression shall include any successor registrar), a transfer agent and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents). For the Book-Entry Covered Bonds, the Issuer will act as local paying agent (the "**Local Paying Agent**"). The Principal Paying Agent, the Registrar, the Paying Agents, the Transfer Agents and the Local Paying Agent together referred to as the "**Agents**".

The final terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Covered Bonds Final Terms attached to or endorsed on this Covered Bond which complete these Terms and Conditions (the "**Conditions**"). References to the "**applicable Covered Bonds Final Terms**" are, unless otherwise stated,

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<sup>18</sup> These Terms and Conditions will apply to issuances of Mortgage Covered Bonds by BCC upon (i) obtaining the relevant authorisation of the Bank of Spain for the creation of a covered bond programme for the issuance of Mortgage Covered Bonds and (ii) the relevant supplement to the Base Prospectus to incorporate BCC as Issuer of Mortgage Covered Bonds under the Programme having been approved by the Central Bank of Ireland and subsequently published. In such a case, references in the Terms and Conditions to the "Issuer" shall be to BCC or Cajamar, as the case may be.

to Part A of the Covered Bonds Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond. In the Conditions, the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.

Interest bearing definitive Bearer Covered Bonds have interest coupons ("**Coupons**") and, in the case of Bearer Covered Bonds 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. Registered Covered Bonds and Global Covered Bonds do not have Coupons or Talons attached on issue.

Any reference to "**Holders**" or "**holders**" in relation to any Covered Bonds shall mean (in the case of Bearer Covered Bonds) the holders of the Covered Bonds and (in the case of Registered Covered Bonds) the persons in whose name the Covered Bonds are registered and shall, in relation to any Covered Bonds represented by a Global Covered Bond, 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 regards Book-Entry Covered Bonds, any reference to "**Holders**" or "**holders**" in relation to Book-Entry Covered Bonds shall mean the persons registered in the central registry (the "**Central Registry**") maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal ("**Iberclear**") or in the registry maintained by the relevant member (*entidad participante*) of Iberclear ("**Iberclear Member**"). Any reference herein to Coupons and Talons and to their respective holders shall not be applicable.

As used herein, "**Tranche**" means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds 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 respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The rights of the Holders to proceed directly against the Issuer in the relevant circumstances are provided for directly under Condition 4 (*Direct Rights*) and the terms of the relevant Global Covered Bonds.

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 Holder 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 Covered Bonds are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), or, as the case may be, on the Spanish fixed income securities market, AIAF Mercado de Renta Fija ("**AIAF**"), the applicable Covered Bonds Final Terms will be published on the website of the Issuer ([www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/) or <https://www.cajamar.es/en/comun/informacion-corporativa/>, as applicable). The Holders 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 Covered Bonds 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 Covered Bonds 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 Covered Bonds Final Terms, the applicable Covered Bonds Final Terms will prevail.

Any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or replaced.

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.

## Definitions

In the Conditions, the following expressions have the following meanings:

"**Calculation Agent**" means the party specified in the applicable Final Terms as being responsible for determining the Rate of Interest and/or calculating the Interest Amount in respect of the Covered Bonds unless (i) where such



party is a party other than the Issuer, that party fails to perform or notifies the Issuer that it is unable to perform any of its duties or obligations as Calculation Agent or (ii) where such party is the Issuer, the Issuer determines in its sole discretion to appoint another party as Calculation Agent, in which case the Calculation Agent shall be such other party as is appointed by the Issuer to act as Calculation Agent, which party may, as applicable, include the Issuer or an affiliate of the Issuer and shall be a leading bank or financial institution, or another party of recognised standing and with appropriate expertise to make the determinations and/or calculations to be made by the Calculation Agent.

**"Calculation Amount"** has the meaning given to it in the applicable Covered Bonds Final Terms.

**"Cover Pool"** means a pool of clearly defined Eligible Assets for Mortgage Covered Bonds or Eligible Assets for Public Sector Covered Bonds that secure the payment obligations attached to the Mortgage Covered Bonds or the Public Sector Covered Bonds, respectively (each, a **"relevant Cover Pool"**), with the Eligible Assets included in each applicable Cover Pool segregable from other assets of the Issuer, all in accordance with the provisions of Royal Decree-Law 24/2021.

**"Cover Pool Monitor"** means the external or internal monitor of the relevant Cover Pool(s) appointed in accordance with the provisions of Royal Decree-Law 24/2021 (*órgano de control del conjunto de cobertura*).

**"Covered Bonds"** means the Mortgage Covered Bonds and the Public Sector Covered Bonds.

**"CRR"** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th 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 II).

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

**"Definitive Bearer Covered Bond"** means a Bearer Covered Bond in definitive form issued or, as the case may require, to be issued by the Issuer in exchange for all or (in the case of a Temporary Bearer Global Covered Bond) part of a Global Covered Bond in bearer form, the Definitive Bearer Covered Bond being in or substantially in the form set out in the Agency Agreement with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent and the relevant Dealer and having the Conditions endorsed on it and having the applicable Covered Bonds Final Terms (or the relevant provisions of the applicable Covered Bonds Final Terms) endorsed on it and having Coupons and, where appropriate, Talons attached to it on issue.

**"Definitive Covered Bonds"** means Definitive Bearer Covered Bonds and/or, as the context may require, Definitive Registered Covered Bonds.

**"Definitive Registered Covered Bonds"** means a Registered Covered Bond in definitive form issued or, as the case may require, to be issued by the Issuer either on issue or in exchange for all of a Registered Global Covered Bond, the Registered Covered Bond in definitive form being in or substantially in the form set out in the Agency Agreement with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent and the relevant Dealer and having the Conditions endorsed on it or attached to it and having the applicable Covered Bonds Final Terms (or the relevant provisions of the applicable Covered Bonds Final Terms) endorsed on it or attached to it.

**"Eligible Assets"** means the Eligible Assets for Mortgage Covered Bonds and the Eligible Assets for Public Sector Covered Bonds, as applicable.

**"Eligible Assets for Mortgage Covered Bonds"** means the eligible assets which form part of the Cover Pool for Mortgage Covered Bonds, including (i) the eligible primary assets referred to in paragraphs (d) and (f) of article 129.1 of CRR, (ii) replacement assets, (iii) the liquid assets that make up the liquidity buffer of such Cover Pool and (iv) the credit rights in connection with the derivative financial instruments linked to such Cover Pool, all in accordance with the applicable regulations in force from time to time and the corresponding covered bond programme authorised by the Bank of Spain.

**"Eligible Assets for Public Sector Covered Bonds"** means the eligible assets which form part of the Cover Pool for Public Sector Covered Bonds, including (i) the loans or credits against counterparties eligible as primary assets referred to in paragraph (a) of article 129.1 of the CRR, (ii) replacement assets, (iii) the liquid assets that make up

the liquidity buffer of such Cover Pool and (iv) the credit rights in connection with the derivative financial instruments linked to such Cover Pool, all in accordance with the applicable regulations in force from time to time and the corresponding covered bond programme authorised by the Bank of Spain.

**"Extended Maturity Date"** has the meaning given in the relevant Covered Bonds Final Terms.

**"FROB"** means the Spanish Executive Resolution Authority (*Fondo de Reestructuración Ordenada Bancaria*).

**"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.

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

**"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.

**"Mortgage Covered Bonds"** (*cédulas hipotecarias*) means Covered Bonds collateralised by eligible primary assets referred to in paragraphs (d) and (f) of article 129.1 of CRR.

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

**"Public Sector Covered Bonds"** (*cédulas territoriales*) means Covered Bonds collateralised by loans or credits against counterparties eligible as primary assets referred to in paragraph (a) of article 129.1 of CRR, provided that such loans are not linked to the financing of contracts for the export of goods and services or to the internationalisation of companies.

**"Relevant Account Holder"** means any account holder with a Relevant Clearing System which has Underlying Covered Bonds credited to its securities account from time to time (other than any Relevant Clearing System which is an account holder of any other Relevant Clearing System).

**"Relevant Clearing System"** means Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), Euroclear Bank SA/NV ("**Euroclear**"), Iberclear and/or any other clearing system or systems as is specified in Part B of the Covered Bonds Final Terms relating to any Covered Bond.

**"Relevant Time"** means the time at which Direct Rights (as defined in the Global Covered Bond) are acquired under such Global Covered Bond in accordance with its terms.

**"Royal Decree-Law 24/2021"** means Royal Decree-Law 24/2021, of 2 November, on the transposition of European Union directives in the areas of covered bonds, cross-border distribution of collective investment undertakings, open data and reuse of public sector information, exercise of copyright and related rights applicable to certain online transmissions and retransmissions of radio and television programmes, temporary exemptions for certain imports and supplies, for consumers and for the promotion of clean and energy efficient road transport vehicles (*Real Decreto-ley 24/2021, de 2 de noviembre, de transposición de directivas de la Unión Europea en las materias de bonos garantizados, distribución transfronteriza de organismos de inversión colectiva, datos abiertos y reutilización de la información del sector público, ejercicio de derechos de autor y derechos afines aplicables a determinadas transmisiones en línea y a las retransmisiones de programas de radio y televisión, exenciones temporales a determinadas importaciones y suministros, de personas consumidoras y para la promoción de vehículos de transporte por carretera limpios y energéticamente eficientes*), as amended or replaced.

**"Senior Preferred Obligations"** means any unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Obligations.

**"Senior Non Preferred Obligations"** means any unsubordinated and unsecured non-preferred obligations (*créditos ordinarios no preferentes*) of 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.

**"Special Cover Pool Administrator"** means the special administrator of the relevant Cover Pool(s) appointed in the event of insolvency (*concurso*) or resolution of the Issuer in accordance with Royal Decree-Law 24/2021.

**"Subsidiary"** means, in relation to an entity (the **"First Entity"**), any entity (the **"Second Entity"**) controlled by that First Entity where control is determined by:

- (a) ownership (directly or indirectly) of a majority of the share capital of the Second Entity; or
- (b) the power to appoint or remove a majority of the members of the governing body of the Second Entity.

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

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

**"Underlying Covered Bonds"** means the Covered Bonds initially represented by, and comprised in, Global Covered Bonds, in each case representing a certain number of underlying Covered Bonds.

## **1. FORM, DENOMINATION AND TITLE**

### **1.1 Form and Denomination**

The Covered Bonds are in bearer form (**"Bearer Covered Bonds"**) or registered form (**"Registered Covered Bonds"**) or uncertificated, dematerialised book-entry form (**"Book-Entry Covered Bonds"**) in the currency (the **"Specified Currency"**) and the denominations (the **"Specified Denomination(s)"**) specified in the applicable Covered Bonds Final Terms and in the case of definitive Covered Bonds, serially numbered. Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and *vice versa* and Book-Entry Covered Bonds may not be exchanged for Bearer Covered Bonds or Registered Covered Bonds and *vice versa*.

Definitive Bearer Covered Bonds are issued with Coupons attached.

### **1.2 Type of Covered Bonds**

This Covered Bond may be a Mortgage Covered Bond or a Public Sector Covered Bond.

This Covered Bond may also be a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Covered Bonds Final Terms.

### **1.3 Title**

Subject as set out below, title to the Bearer Covered Bonds and Coupons will pass by delivery and title to the Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Covered Bond or Coupon and the registered holder of any Registered Covered Bond 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 Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

### **1.4 Covered Bonds in Global Form**

For so long as any of the Covered Bonds is represented by a Global Covered Bond held on behalf of Euroclear and/or 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 Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds 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 Agents as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Covered Bonds, for which purpose the bearer of the

relevant Bearer Global Covered Bond or the registered holder of the relevant Registered Global Covered Bond shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expressions "**Holder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond 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 Part B of the applicable Covered Bonds Final Terms.

## **1.5 Book-Entry Covered Bonds**

Book-Entry Covered Bonds may be transferred and title to the Book-Entry Covered Bonds may pass, in accordance with Spanish law and with all rules, restrictions and requirements of Iberclear (or, as the case may be, the relevant Iberclear Member), upon registration in the Central Registry or, as the case may be, the registry maintained by the relevant Iberclear Member. Each holder of Book-Entry Covered Bonds will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Book-Entry Covered Bond for all purposes and no person will be liable for so treating the holder of Book-Entry Covered Bonds.

The creation of limited *in rem* rights or any other encumbrance on the Book-Entry Covered Bond must be entered in the corresponding account and effected in accordance with the then current procedures of Iberclear (or relevant Iberclear Member).

One or more certificates evidencing the relevant Holder's holding of Book-Entry Covered Bonds in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself a Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law and the procedures of the relevant Iberclear Member or, as the case may be, Iberclear) to such Holder upon such Holder's request.

## **2. TRANSFERS OF REGISTERED COVERED BONDS**

### **2.1 Transfers of interests in Registered Global Covered Bonds**

Transfers of beneficial interests in Registered Global Covered Bonds will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Covered Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond of the same series only in the authorised denominations set out in the applicable Covered Bonds Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

### **2.2 Transfers of Registered Covered Bonds in definitive form**

Subject as provided in paragraphs 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Covered Bonds Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city

where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Covered Bonds under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

### **2.4 Costs of registration**

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **3. STATUS OF THE COVERED BONDS**

The payment obligations of the Issuer on account of principal under the Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer.

In accordance with article 6 of Royal Decree-Law 24/2021, Holders will be considered creditors with special preference (*acreedores con preferencia especial*) in respect of the assets included in the relevant Cover Pool pursuant to paragraph 8° of article 1,922 and paragraph 6° of article 1,923 of the Spanish Civil Code.

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 (i) pursuant to article 270.7 of the Insolvency Law, claims of Holders under the Covered Bonds shall be recognised as obligations of the Issuer with special privilege (*créditos con privilegio especial*) in respect of the assets in the relevant Cover Pool, and, (ii) in accordance with article 42.1 of Royal Decree-Law 24/2021, to the extent that claims against the Issuer under the Covered Bonds are not fully satisfied from the assets in the relevant Cover Pool, the residual claims under the Covered Bonds will rank: (a) *pari passu* among themselves and with any Senior Preferred Obligations; and (b) senior to Senior Non-Preferred Obligations and subordinated obligations (*créditos subordinados*) of the Issuer under article 281.1 of the Insolvency Law.

*The Covered Bonds are obligations enforceable in accordance with the terms of Law 1/2000, of 7 January, on Civil Proceedings and will be issued in accordance with Royal Decree-Law 24/2021. Neither the insolvency (concurso) of the Issuer nor the Issuer being subject to any resolution procedure shall:*

- *cause the automatic early termination of the payment obligations under the Covered Bonds or otherwise affect the Issuer's obligation to fulfil any of its obligations under the Covered Bonds (without prejudice to the provisions of article 42.2 of Law 11/2015);*
- *entitle the Holders to require the Issuer to redeem the Covered Bonds prior to the Maturity Date or the Extended Maturity Date, as applicable;*
- *result in the suspension of accrual of interest on the Covered Bonds; nor*
- *result in the termination or early redemption of the derivative contracts included in the relevant Cover Pool (if any).*

*Upon insolvency (concurso) or resolution of the Issuer, the Special Cover Pool Administrator will be appointed by the competent court after consultation with the Bank of Spain from among persons nominated by the FROB (in the event of insolvency (concurso) of the Issuer) or directly by the FROB in*

consultation with the Bank of Spain (in the event of resolution of the Issuer). The Special Cover Pool Administrator will preserve the rights and interests of the Holders and will oversee the management (in the event of resolution of the Issuer) or will manage (in the event of insolvency (concurso) of the Issuer) the covered bond programmes of the Issuer.

In addition, upon insolvency (concurso) of the Issuer, the assets of the relevant Cover Pool registered in the special register maintained by the Issuer will be materially segregated from the Issuer's assets and will form a separate estate without legal personality, which will be represented by the Special Cover Pool Administrator.

The segregation described above implies that the assets forming part of the relevant Cover Pool:

- (i) do not form part of the Issuer's insolvency estate (masa del concurso) until the claims of the Holders and the relevant derivative counterparties (if any) and the expenses related to the maintenance and management of the separate estate (and, if applicable, to its liquidation) are satisfied; and
- (ii) are protected against the rights of third parties and therefore cannot be rescinded by application of the reinstatement actions provided for in the insolvency legislation, except as provided in article 42.2 of Royal Decree-Law 24/2021.

The Special Cover Pool Administrator shall determine that the assets in the Cover Pool registered in the special register maintained by the Issuer, together with any corresponding liabilities, will be transferred to form a separate estate from the Issuer without legal personality.

#### **Internal policies and procedures for the management and monitoring of the relevant Cover Pool**

Cajamar has defined a general policy to govern the management and monitoring of the relevant Cover Pool, which was approved by its management bodies (the "**Policy**").

The Policy applies to the Covered Bonds issued by Cajamar in Spain, as well as to Covered Bonds issued outside of Spain in accordance with Royal Decree-Law 24/2021 and sets out the general guidelines that they must comply with, in addition to the recommendations from supervisory bodies and best market practices that they are also required to take into consideration.

Cajamar must ensure that the liabilities of the covered bond programmes are backed at all times with Eligible Assets, complying in any case, and at all times, with the applicable legal or contractual over-collateralisation levels. Compliance with these limits shall be monitored on an ongoing basis.

Only assets meeting the eligibility conditions of the covered bond programmes shall be included in the relevant Cover Pool. Inclusion or exclusion of any assets from the relevant Cover Pool or adoption of any legal action that may affect its effectiveness shall be contingent upon verification of compliance with applicable regulations, following authorisation from the Cover Pool Monitor.

Only assets that can be segregated may be included in the relevant Cover Pool and Cajamar shall maintain a special register of the assets included in the relevant Cover Pool. For the purposes of article 1,922 and article 1,923 of the Spanish Civil Code and article 270.7 of the Insolvency Law, the registration of the assets in the special register will permit: (a) the identification by Cajamar of all the assets that form part of the relevant Cover Pool; and (b) the allocation of the registered assets to secure the payment obligations under the Covered Bonds in accordance with article 6 of Royal Decree-Law 24/2021.

The Cover Pool of each covered bond programme will consist of Eligible Assets with different characteristics, including structural features, lifetime or risk profile in the Cover Pool. The Policy sets out rules aimed at preserving the granularity of the pool of Eligible Assets, as well as at identifying and addressing potential mismatches in maturities, lifetime and interest rates, as well as, where appropriate, exchange rates.

The following paragraphs summarise the policies and procedures contained in the Policy which are more relevant for Holders (pursuant to the disclosure requirements contained in letter c) of article 7.2 of Royal Decree-Law 24/2021):

- (i) *Intermoney Agency Services, S.A. was appointed by Cajamar on 29 March 2022 as Cover Pool Monitor of the covered bond programmes of Cajamar and BCC for the issuance of Mortgage Covered Bonds and Public Sector Covered Bonds;*
- (ii) *the criteria and the procedures set out by Cajamar for the selection, assignment, monitoring and reporting of the assets in the relevant Cover Pool and for updating the special register of the relevant Cover Pool. For these purposes, Cajamar will set out a special electronic register in order to ensure the adequate allocation of the Covered Bonds to the relevant Cover Pool, complying with the applicable legal and contractual over-collateralisation requirements in each covered bonds programme. Such registries will guarantee that the Cover Pool Monitor has access to the necessary information to perform its duties. In any case, the Cover Pool Monitor will have immediate access to the person in charge of the internal control unit of the Issuer in accordance with article 32.2 of Royal Decree-Law 24/2021. If a breach of the legal or contractual requirements applicable to the assets forming part of a Cover Pool is identified by the Cover Pool Monitor or any other level of supervision, Cajamar will substitute such asset for an Eligible Asset. These procedures will be coordinated by the capital markets and investor's relations team of the Issuer;*
- (iii) *the methodology and steps proposed to execute the periodical tests that Cajamar will perform for the purposes of, among others, confirming that the Eligible Assets included in the relevant Cover Pool comply with the requirements set forth in Royal Decree-Law 24/2021. Such tests will be performed on the basis of a base case which assumptions are deemed adequate by the Cover Pool Monitor.*

#### **4. DIRECT RIGHTS**

If at any time the bearer of the Bearer Global Covered Bond and the registered holder of the Registered Global Covered Bond ceases to have rights under it in accordance with its terms, the Issuer covenants with each Relevant Account Holder (other than any Relevant Clearing System which is an account holder of any other Relevant Clearing System) that each Relevant Account Holder shall automatically acquire at the Relevant Time, under this Condition 4 and the provisions of the relevant Global Covered Bonds, without the need for any further action on behalf of any person, against the Issuer all those rights which the Relevant Account Holder would have had if at the Relevant Time it held and beneficially owned executed and authenticated Definitive Covered Bonds in respect of each Underlying Covered Bond represented by the Global Covered Bond which the Relevant Account Holder has credited to its securities account with the Relevant Clearing System at the Relevant Time and, from that time, the Relevant Account Holder will have no further rights under the relevant Global Covered Bond.

#### **5. INTEREST**

The applicable Covered Bonds Final Terms will indicate whether the Covered Bonds are Fixed Rate Covered Bonds or Floating Rate Covered Bonds.

##### **5.1 Interest on Fixed Rate Covered Bonds**

This Condition 5.1 applies to Fixed Rate Covered Bonds only. The applicable Covered Bonds Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Covered Bonds. In particular, the applicable Covered Bonds 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 Covered Bond 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 Covered Bonds are in definitive form, except as provided in the applicable Covered Bonds 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 Covered Bonds 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 Covered Bonds in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Covered Bonds 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 Covered Bonds which are represented by a Global Covered Bond or which are Book-Entry Covered Bonds, the aggregate outstanding nominal amount of the Fixed Rate Covered Bonds represented by such Global Covered Bond or Book-Entry Covered Bonds; or
- (b) in the case of Fixed Rate Covered Bonds 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 Covered Bond in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond 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 5.1:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Covered Bonds Final Terms:
  - (A) in the case of Covered Bonds 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 (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Covered Bonds Final Terms) that would occur in one calendar year; or
  - (B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) 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
    - (2) 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; and
- (ii) if "30/360" is specified in the applicable Covered Bonds 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.

In these 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.

## 5.2 Interest on Floating Rate Covered Bonds

### (a) Interest Payment Dates

This Condition 5.2 applies to Floating Rate Covered Bonds only. The applicable Covered Bonds Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Covered Bonds. In particular, the applicable Covered Bonds 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, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Covered Bonds 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 Covered Bonds Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Covered Bond 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 Covered Bonds Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Covered Bonds 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 Covered Bonds 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 these 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 Covered Bonds 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 5.2(a)(ii) (*Interest on Floating Rate Covered Bonds – Interest Payment Dates*) 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 these Conditions, "**Business Day**" means a day which 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 each Additional Business Centre (other than T2) specified in the applicable Covered Bonds Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the applicable Covered Bonds Final Terms, a day on which the T2 is open; and
- (c) either (1) 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 (2) in relation to any sum payable in euro, a day on which the T2 is open.

(b) Rate of Interest

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

I. *Screen Rate Determination:* If Screen Rate Determination is specified in the applicable Covered Bonds Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be (other than in respect of Covered Bonds for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the applicable Covered Bonds Final Terms) determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Covered Bonds Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

- (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

*provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

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

- II. *ISDA Determination:* If ISDA Determination is specified in the applicable Covered Bonds Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions (provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee) and under which:

- (i) if the Covered Bonds Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

- (A) the Floating Rate Option is as specified in the applicable Covered Bonds Final Terms;
- (B) the Designated Maturity, if applicable, is a period specified in the applicable Covered Bonds Final Terms;
- (C) the relevant Reset Date, unless otherwise specified in the applicable Covered Bonds Final Terms, has the meaning given to it in the ISDA Definitions;
- (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Covered Bonds Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

***provided, however, that*** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines appropriate;

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the applicable Covered Bonds Final Terms and:
- (1) if Compounding with Lookback is specified as the Compounding Method in the applicable Covered Bonds Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the applicable Covered Bonds Final Terms;
  - (2) if Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Covered Bonds Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Covered Bonds Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Covered Bonds Final Terms; or
  - (3) if Compounding with Lockout is specified as the Compounding Method in the applicable Covered Bonds Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Covered Bonds Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Covered Bonds Final Terms;
- (F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the applicable Covered Bonds Final Terms and:
- (1) if Averaging with Lookback is specified as the Averaging Method in the applicable Covered Bonds Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in applicable Covered Bonds Final Terms;
  - (2) if Averaging with Observation Period Shift is specified as the Averaging Method in the applicable Covered Bonds Final Terms then (a) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Covered Bonds Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Covered Bonds Final Terms; or
  - (3) if Averaging with Lockout is specified as the Averaging Method in the applicable Covered Bonds Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Covered Bonds Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Covered Bonds Final Terms; and
- (G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the applicable Covered Bonds Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Covered Bonds Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Covered Bonds Final Terms;

- (ii) references in the ISDA Definitions to:
  - (A) "**Confirmation**" shall be references to the applicable Covered Bonds Final Terms;
  - (B) "**Calculation Period**" shall be references to the relevant Interest Period;
  - (C) "**Termination Date**" shall be references to the Maturity Date (or to the Extended Maturity Date, as applicable);
  - (D) "**Effective Date**" shall be references to the Interest Commencement Date; and
- (iii) if the Covered Bonds Final Terms specify "2021 ISDA Definitions" as being applicable:
  - (A) "**Administrator/Benchmark Event**" shall be disapplied; and
  - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".
- (iv) Unless otherwise defined capitalised terms used in this Condition 5.2(b)(II) shall have the meaning ascribed to them in the ISDA Definitions.
- (v) For the purposes of this Condition 5.2(b)(II):

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

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

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor).

"**ISDA Definitions**" has the meaning given in the applicable Covered Bonds Final Terms.

### *III. Interest – Floating Rate Covered Bonds referencing SONIA (Screen Rate Determination)*

- (i) This Condition 5.2(b)(III) is applicable to the Covered Bonds only if the Floating Rate Covered Bond Provisions are specified in the applicable Covered Bonds Final Terms as being applicable, Screen Rate Determination is specified in the applicable Covered Bonds Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the applicable Covered Bonds Final Terms as being "SONIA".
- (ii) Where "SONIA" is specified as the Reference Rate in the Covered Bonds Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the applicable Covered Bonds Final Terms) the Margin, all as determined by the Calculation Agent.

- (iii) For the purposes of this Condition 5.2(b)(III):

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

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

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

"**do**" means the number of London Banking Days in:

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

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

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

to, and including, the last London Banking Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Covered Bonds are due and payable).

"**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<sub>i</sub>**" for any London Banking Day "i", in the relevant Interest Period or Observation Period (as applicable) is 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, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period"

(as applicable) in the applicable Covered Bonds Final Terms or if no such period is specified, five London Banking Days;

"**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 is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIA<sub>i</sub>**" means the SONIA Reference Rate for:

- (i) where "Lag" is specified as the Observation Method in the applicable Covered Bonds Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Covered Bonds Final Terms, the relevant London Banking Day "i";

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), 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, subject to Condition 5.4, be:
  - (A) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a 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
  - (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) 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) or (b) if this is more recent, the latest determined rate under (A).
- (v) Subject to Condition 5.4, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(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 Rate of Interest which would have been applicable to the Covered Bonds for the first Interest Period had the Covered Bonds 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).

IV. *Interest – Floating Rate Covered Bonds referencing SOFR (Screen Rate Determination)*

- (i) This Condition 5.2(b)(IV) is applicable to the Covered Bonds only if the Floating Rate Covered Bond Provisions are specified in the applicable Covered Bonds Final Terms as being applicable, Screen Rate Determination is specified in the applicable Covered Bonds Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the applicable Covered Bonds Final Terms as being "SOFR".
- (ii) Where "SOFR" is specified as the Reference Rate in the Covered Bonds Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the applicable Covered Bonds Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 5.2(b)(IV):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 5.2(b)(IV).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 5.2(b)(IV)(iv) below will apply.

"**Business Day**" means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

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

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

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

"**do**" is the number of U.S. Government Securities Business Days in:

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



- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Covered Bonds Final Terms, the relevant Observation Period.

"i" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

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

to and including the last US Government Securities Business Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Covered Bonds are due and payable);

**"n<sub>i</sub>"** for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

**"Observation Period"** in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

**"p"** for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the applicable Covered Bonds Final Terms or if no such period is specified, five U.S. Government Securities Business Days;

**"SOFR"** with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **"SOFR Determination Time"**); or
- (ii) Subject to Condition 5.2(b)(IV)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, or any successor source;

**"SOFR<sub>i</sub>"** means the SOFR for:

- (i) where "Lag" is specified as the Observation Method in the applicable Covered Bonds Final Terms, the U.S. Government Securities Business Day falling "p"

U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Covered Bonds Final Terms, the relevant U.S. Government Securities Business Day "i"; and

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

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Covered Bonds in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Holders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Covered Bonds, shall become effective without consent from the holders of the Covered Bonds or any other party.

**"Benchmark"** means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) 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 Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer 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 Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

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

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for

the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"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 the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 5.2(b)(IV)(iv) above will be notified promptly by the Issuer to the Principal Paying Agent, the Local Paying Agent (in case of Book-Entry Covered Bonds), the Calculation Agent, the Paying Agents and, in accordance with Condition 14 (*Notices*), the Holders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Principal Paying Agent of the same, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5.2(b)(IV); and
  - (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(b)(IV), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of

the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Covered Bonds for the first Interest Period had the Covered Bonds 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).

V. *Interest – Floating Rate Covered Bonds referencing €STR (Screen Rate Determination)*

- (i) This Condition 5.2(b)(V) is applicable to the Covered Bonds only if the Floating Rate Covered Bond Provisions are specified in the applicable Covered Bonds Final Terms as being applicable, Screen Rate Determination is specified in the applicable Covered Bonds Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the applicable Covered Bonds Final Terms as being "€STR".
- (ii) Where "€STR" is specified as the Reference Rate in the Covered Bonds Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the applicable Covered Bonds Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 5.2(b)(v)(V):

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

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

where:

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

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

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

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

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

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the €STR Administrator on the €STR Administrator's Website (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised

distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator;

**"€STR Administrator"** means the European Central Bank (or any successor administrator of €STR);

**"€STR Administrator's Website"** means as the website of the European Central Bank or any successor source;

**"€STRi"** means the €STR reference rate for:

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

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

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

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

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Covered Bonds are due and payable);

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

**"Observation Period"** means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the final Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Covered Bonds become due and payable; and

**"p"** for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the applicable Covered Bonds Final Terms or, if no such period is specified, five TARGET Business Days.

- (iv) Subject to Condition 5.4, if, where any Rate of Interest is to be calculated pursuant to Condition 5.2(b)(V)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was

published by the €STR Administrator on the €STR Administrator's Website, as determined by the Calculation Agent.

- (v) Subject to Condition 5.4, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(b)(V), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Covered Bonds for the first Interest Period had the Covered Bonds 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).

VI. *Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*

This Condition 5.2(b)(VI) is applicable to the Covered Bonds only if the Floating Rate Covered Bond Provisions are specified in the applicable Covered Bonds Final Terms as being applicable, Screen Rate Determination is specified in the applicable Covered Bonds Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and "Index Determination" is specified in the applicable Covered Bonds Final Terms as being applicable.

Where "Index Determination" is specified in the applicable Covered Bonds Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

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

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index**" shall mean either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the applicable Covered Bonds Final Terms;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"**Numerator**" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Covered Bonds Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.00000005 being rounded upwards);

**"Relevant Number"** is as specified in the applicable Covered Bonds Final Terms, but, unless otherwise specified shall be five;

**"SONIA Compounded Index"** means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

**"SOFR Compounded Index"** means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

**"Start"** means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of the relevant Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Covered Bonds Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 5.2(b)(III)) or Condition 5.2(b)(IV), as applicable) had been specified instead in the Covered Bonds Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the applicable Covered Bonds Final Terms, and where the Observation Shift Period for the purposes of that definition in Condition 5.2(b)(III) or Condition 5.2(b)(IV) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Covered Bonds Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the relevant Compounded Index, the provisions of Condition 5.3) shall apply.

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

If the applicable Covered Bonds 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 Covered Bonds 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 Principal Paying Agent or the Local Paying Agent, as applicable, 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 Principal Paying Agent or the Local Paying Agent, as applicable, will calculate the amount of interest (the **"Interest Amount"**) payable on the Floating Rate Covered Bonds for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Covered Bonds which are (i) represented by a Global Covered Bond, or (ii) Book-Entry Covered Bonds or (iii) Registered Covered Bonds in definitive form, the aggregate outstanding nominal amount of (A) the Covered Bonds represented by such Global Covered Bond or (ii) such Book-Entry Covered Bonds or (B) such Registered Covered Bonds; or



- (ii) in the case of Floating Rate Covered Bonds which are Bearer Covered Bonds 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 Covered Bond which is a Bearer Covered Bond in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Covered Bond 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 5.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Covered Bonds 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 Covered Bonds Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Covered Bonds 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 Covered Bonds 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 Covered Bonds Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [(30xM_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

"D<sub>2</sub>" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [(30xM_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

"D<sub>2</sub>" 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 D<sub>2</sub> will be 30;

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

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [(30xM_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

"D<sub>1</sub>" 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 D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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 the Extended Maturity Date, as applicable) or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

- (e) Notification of Rate of Interest and Interest Amounts

The Issuer 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 Paying Agents, the Local Paying Agent (in the case of Book-Entry Covered Bonds) and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and notice thereof to be published in accordance with Condition 14 (*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 Covered Bonds are for the time being listed and to the Holders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) **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 5.2 (*Interest on Floating Rate Covered Bonds*) by the Principal Paying Agent or the Local Paying Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent or the Local Paying Agent, as applicable, the other Paying Agents (as applicable) and all Holders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Holders or the Couponholders shall attach to the Principal Paying Agent or the Local Paying Agent, as applicable, in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

### **5.3 Interest Rate Provisions in the event of extension of maturity of a Series of Covered Bonds**

Notwithstanding the foregoing provisions of Condition 5.1 (*Interest on Fixed Rate Covered Bonds*) and Condition 5.2 (*Interest on Floating Rate Covered Bonds*), if Extended Final Maturity is specified in the applicable Covered Bonds Final Terms as being applicable and, upon occurrence of the circumstances for an extension of maturity set forth in article 15 of Royal Decree-Law 24/2021, the Issuer decides to extend the Maturity Date up to the Extended Maturity Date pursuant to Condition 7.1 (*Redemption at maturity and extension of maturity*) and subject to such extension being authorised by the Bank of Spain and all other prerequisite requirements for such extension being met, then the following shall apply:

- (a) payment of the Final Redemption Amount by the Issuer on the Maturity Date shall be deferred until the Extended Maturity Date specified in the applicable Covered Bonds Final Terms;
- (b) the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the Extended Maturity Date. In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with this Condition 5.3 on the Outstanding Principal Amount of the Covered Bonds in arrear on (i) each Interest Payment Date after the Maturity Date, or (ii) the Extended Maturity Date, as applicable, in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date or the Extended Maturity Date, respectively. The final Interest Payment Date shall fall no later than the Extended Maturity Date; and
- (c) the rate of interest payable from time to time in respect of the Outstanding Principal Amount of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date or the Extended Maturity Date, as applicable, will be as specified in the relevant Covered Bonds Final Terms and, in the case of Floating Rate Covered Bonds, determined by the Calculation Agent, as applicable, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the relevant Covered Bonds Final Terms.

### **5.4 Benchmark Discontinuation**

By its acquisition of the Covered Bonds, each Holder (which for these purposes includes each holder of a beneficial interest in the Covered Bonds) will be deemed to have expressly consented to the application of the provisions of this Condition 5.4. Without any requirement for any further consent or approval of the Holders (whether pursuant to Condition 15 or otherwise) and notwithstanding the provisions in Conditions 5.2(b) or 5.2(c), as the case may be, above, if the Issuer or the Calculation Agent (in consultation with the Issuer, where the Calculation Agent is a party other than the Issuer, or, if the Calculation Agent deems it appropriate, an Independent Adviser) determines that a Benchmark Event 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 that Original Reference Rate, then the following provisions of this Condition 5.4 shall apply.

(a) Successor Rate or Alternative Rate

- (i) The Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Interest Determination Date (as applicable) relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 5.4).
- (ii) The Alternative Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Original Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Original Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Rate.
- (iii) If the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with subparagraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the applicable Original Reference Rate) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Original Reference Rate, and the Alternative Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Rate; provided, however, that if this subparagraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this subparagraph (iii), the Reference Rate applicable to such Interest Period shall be equal to the last observable Reference Rate published on the Relevant Screen Page after the last preceding Interest Determination Date, or, if none, the Reference Rate for a term equivalent to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (as applicable) (though substituting, where a different relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the relevant Margin relating to the relevant Interest Period, in place of the margin relating to that last preceding Interest Period). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.4.
- (iv) If a Successor Rate or an Alternative Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 5.4).

(b) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (i) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Rate 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

Alternative Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Rate.

(c) **Benchmark Amendments**

If a Successor Rate or an Alternative Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Reference Rate applicable to the Covered Bonds, and the method for determining the fallback rate in relation to the Covered Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Rate and/or Adjustment Spread, which changes shall apply to the Covered Bonds for all future Reset Periods or Interest Periods (as applicable) (such amendments, the "**Benchmark Amendments**") (subject to the subsequent operation of this Condition 5.4).

Notwithstanding any other provision of this Condition 5.4, the Calculation Agent, the Local Paying Agent (in case of Book-Entry Covered Bonds) 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 5.(c), which, in the sole opinion of the Calculation Agent or the Local Paying 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, the Local Paying Agent (in case of Book-Entry Covered Bonds) or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

(d) **Notice**

Following any determination pursuant to subparagraphs (a) and/or (b) above, the Issuer shall as soon as practicable give notice thereof, of the occurrence of the Benchmark Event and of any changes pursuant to subparagraph (c) above, and if the Issuer is aware ten Business Days prior to the next relevant Reset Determination Date or Interest Determination Date (as applicable) no later than on the tenth Business Day prior to such Determination Date or Interest Determination date, give notice thereof, of the occurrence of the Benchmark Event, and of any changes pursuant to subparagraph (c) above in all cases to the Calculation Agent, the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Covered Bonds) and the Holders.

In connection with any such modifications in accordance with this Condition 5.4, the Issuer shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

No later than the date on which the Issuer notifies the Holders of the same, the Issuer shall deliver to the Calculation Agent, the Paying Agents and the Local Paying Agent (in case of Book-Entry Covered Bonds) 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 5.4; and
- (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 Principal Paying Agent shall display such certificate at its offices, for inspection by the Holders, at all reasonable times during normal business hours.

Each of the Principal Paying Agent, the Calculation Agent, the Local Paying Agent (in the case of Book-Entry Covered Bonds) 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, the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Principal Paying Agent's or the Calculation Agent's or the Local Paying Agent's (in the case of Book-Entry Covered Bonds) or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Local Paying Agent (in the case of Book-Entry Covered Bonds) the Paying Agents and the Holders.

Notwithstanding any other provision of this Condition 5.4, 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 5.4, 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 this Condition 5.4, the Original Reference Rate and the fallback provisions provided for in Condition 5.2 and the applicable Covered Bonds 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 5.4.

(f) Definitions

In this Condition 5.4, the following expressions shall have the following meanings:

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

- (i) in the case of a Successor Rate, is formally recommended or provided as an option for parties to adopt, 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 the Issuer determines that no such industry standard is recognised or acknowledged), 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 Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**"Benchmark Amendments"** has the meaning given to it in Condition 5.4(c);

**"Benchmark Event"** means:

- (i) The Original Reference Rate has ceased to be published on the relevant Screen Page for a period of at least five Business Days, as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased, or will, by a specified future date (the "**Specified Future Date**") cease, publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that such 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 that such 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, either generally or in respect of the Covered Bonds; 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 and such representativeness will not be restored (as determined by such supervisor); or
- (vi) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Holder using the Original Reference Rate (including, without limitation, under the EU Benchmarks Regulation, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (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 international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

**"Original Reference Rate"** means:

- (i) the benchmark or screen rate (as applicable) originally specified in the applicable Covered Bonds Final Terms for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of the Covered Bonds; 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 Condition 5.4;

**"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; and

**"Successor Rate"** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 5.5 Accrual of interest

Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) 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 Covered Bond have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Covered Bond has been received by the Principal Paying Agent, the Local Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Holders in accordance with Condition 14 (*Notices*).

## 6. PAYMENTS

### 6.1 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, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

### 6.2 Presentation of definitive Bearer Covered Bonds and Coupons

Payments of principal in respect of definitive Bearer Covered Bonds will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Covered Bonds, and payments of interest in respect of definitive Bearer Covered Bonds 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 Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds (as defined below)) and save as provided in Condition 6.5 (*General provisions applicable to payments in respect of Global Covered Bonds*) 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 8 (*Taxation*) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*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 Covered Bond in definitive bearer form becoming due and repayable prior to its Maturity Date (or Extended Maturity Date, as applicable), 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 Covered Bond or Long Maturity Covered Bond in definitive bearer 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 Covered Bond**" is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Covered Bond.

If the due date for redemption of any definitive Bearer Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond 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 Bearer Covered Bond.

### 6.3 Payments in respect of Bearer Global Covered Bonds

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Global Covered Bond in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Covered Bonds or otherwise in the manner specified in the relevant Global Covered Bond, where applicable against presentation or surrender, as the case may be, of such Global Covered Bond 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 Covered Bond by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### 6.4 Payments in respect of Registered Covered Bonds

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the Registrar (the "**Register**") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) 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 (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day

(whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**"). Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Covered Bond.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Covered Bonds.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### **6.5 General provisions applicable to payments in respect of Global Covered Bonds**

The holder of a Global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Covered Bond 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 Covered Bonds represented by such Global Covered Bond 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 Covered Bond.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Covered Bonds is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Covered Bonds 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 Bearer Covered Bonds 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.

#### **6.6 Payments in respect of Book-Entry Covered Bonds**

Payments in respect of the Book-Entry Covered Bonds (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in the currency in which the payment is due, details of which appear in the records of Iberclear and/or the relevant Iberclear Member, at the close of business on the Business Day on which the payment of principal and/or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear and the relevant Iberclear Member, to receive payments under the relevant Book-Entry Covered Bonds. None of the Issuer, any Agent, the Local Paying Agent or any of the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Book-Entry Covered Bonds.

#### **6.7 Payment Day**

If the date for payment of any amount in respect of any Covered Bond 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 9 (*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):

- (i) in the case of Covered Bonds in definitive form only, in the relevant place of presentation; and
  - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Covered Bonds Final Terms;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Covered Bonds Final Terms, a day on which the T2 is open; and
- (c) either (1) 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 (2) in relation to any sum payable in euro, a day on which the T2 is open.

## 6.8 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds;
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

Any reference in the Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

In this Condition, "**Final Redemption Amount**" means, in respect of any Covered Bond, (i) its principal amount or (ii) such amount per Calculation Amount as may be specified in the applicable Covered Bonds Final Terms.

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at maturity and extension of maturity

- (a) Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Covered Bonds Final Terms in the relevant Specified Currency on the Maturity Date (or, if extended pursuant to paragraph (b) below, on the Extended Maturity Date) specified in the applicable Covered Bonds Final Terms.
- (b) If Extended Maturity is specified in the applicable Covered Bonds Final Terms as being applicable and as otherwise provided therein, the Issuer or the Special Cover Pool Administrator (as applicable) may extend the Maturity Date up to the Extended Maturity Date, subject to and in the circumstances contemplated in Royal Decree-Law 24/2021, and subject to the prior permission of the Bank of Spain. The Issuer shall notify the Holders in accordance with Condition 14 (*Notices*) and the Paying Agents of any extension of the Maturity Date of the Covered Bonds (which notice shall specify the Extended Maturity Date), as soon as practicable, or of its intention to redeem the Outstanding Principal Amount of the Covered Bonds in full or in part on the Maturity Date at least three Business Days, in the case of notice to the Holders and five Business Days, in the case of the notice to the Paying Agents, prior to the Maturity Date, where practicable for the Issuer to do so and otherwise as soon as practicable.

Any failure by the Issuer to so notify the Holders and the Paying Agents shall not affect the validity or effectiveness of any such extension of the maturity of the Covered Bonds or, as applicable, redemption by the Issuer on the Maturity Date or give rise to any such person having any rights in respect of any such redemption but such failure may result in a delay in payment being received by a Holder through Euroclear and/or Clearstream, Luxembourg (including on the Maturity Date where at least three Business Days' notice of such redemption is not given to the Holders in accordance with Condition 14 (*Notices*) and the Paying Agents) and Holders shall not be entitled to further interest or any other payment in respect of such delay. Accordingly, as soon as practicable after receipt of any such notice, the Principal Paying Agent will notify Euroclear and/or Clearstream, Luxembourg, as the case may be, of the Issuer's intention to redeem the Covered Bonds or of any extension of the Maturity Date (and in any event by no later than three Business Days prior to the relevant date for redemption of the Covered Bonds wherever practicable for it to do so).

*As of the date of the Base Prospectus and in accordance with the covered bond programme of the Issuer for the issuance of Covered Bonds authorised by the Bank of Spain, the Issuer or the Special Cover Pool Administrator (as applicable) may extend the Maturity Date subject to the prior permission of the Bank of Spain and only in any of the circumstances contemplated in article 15.2 of Royal Decree-Law 24/2021, namely (i) the existence of a clear risk (peligro cierto) of default of the Covered Bonds due to liquidity issues in respect of the relevant Cover Pool or of the Issuer (such risk of default would exist in the event of a breach of the liquidity buffer set forth in article 11 of Royal Decree-Law 24/2021 or when the Bank of Spain undertakes any of the measures contemplated in article 68 of Law 10/2014 (except for the measure set out in the second paragraph of letter (j) of such article 68)); (ii) the insolvency (concurso) or resolution of the Issuer; (iii) a declaration of non-viability of the Issuer in accordance with article 8 of Law 11/2015; and (iv) the existence of serious disturbances affecting national financial markets, where this has been determined by the Macropprudential Authority Financial Stability Board (AMCESFI) by means of a communication in the form of a warning or recommendation, which is not confidential.*

*In the event of insolvency (concurso) or resolution of the Issuer, the extension of maturity shall not affect the priority of Holders' claims nor reverse the original maturity schedule sequence of the Covered Bonds in respect of the relevant Cover Pool.*

Any extension of the maturity of the Covered Bonds under this Condition 7.1 shall be irrevocable. Where paragraph (b) of this Condition 7.1 applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of the Covered Bonds under this Condition 7.1 shall not constitute an event of default for any purpose or give any Holder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Conditions.

If the Issuer redeems part and not all of the Covered Bonds on an Interest Payment Date falling on any date after the Maturity Date, each Covered Bond shall be redeemed in part in the proportion which the aggregate Outstanding Principal Amount of the outstanding Covered Bonds to be redeemed on such date bears to the aggregate Outstanding Principal Amount of outstanding Covered Bonds on such date.

## **7.2 Redemption for tax reasons**

Subject to Condition 7.5 (*Early Redemption Amounts*), the Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Covered Bonds Final Terms to the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Covered Bonds) and, in accordance with Condition 14 (*Notices*), the Holders (which notice shall be irrevocable), if, as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) including any treaty to which such Tax Jurisdiction is a party or any change in the application or official interpretation of such laws or regulations, including a decision of any court or tribunal, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Covered Bonds:

- (a) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will or would be obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (b) the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in any Tax Jurisdiction in respect of any payment of interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer would be materially reduced; or
- (c) the applicable tax treatment of the Covered Bonds 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 (a) would be obliged to pay such additional amounts (b) would not be entitled to claim such deduction or the value of such deduction would be materially reduced or (c) would be obliged to apply the materially affected applicable tax treatment.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office to the Holders (i) 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) 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.

Covered Bonds redeemed pursuant to this Condition 7.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### 7.3 Redemption at the option of the Issuer (Issuer Call)

This Condition 7.3 applies to Covered Bonds which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than under Condition 7.2 (*Redemption for tax reasons*) or 7.4 (*Clean-Up Redemption at the Option of the Issuer*)), such option being referred to as an "**Issuer Call**". The applicable Covered Bonds Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 7.3 for full information on any Issuer Call. In particular, the applicable Covered Bonds Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Covered Bonds which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Covered Bonds Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Covered Bonds Final Terms to the Holders in accordance with Condition 14 (*Notices*), the Principal Paying Agent and the Local Paying Agent (in the case of Book-Entry Covered Bonds) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Covered Bonds 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 Covered Bonds Final Terms. In these Conditions, "**Optional Redemption Date**" means any date so specified in the applicable Covered Bonds Final Terms and/or any date falling in the Optional Redemption Period specified in the applicable Covered Bonds Final Terms, the first and last days inclusive.

In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed ("**Redeemed Covered Bonds**") will (i) in the case of Redeemed Covered Bonds represented by definitive Covered Bonds, be selected individually by lot not more than 60 days prior to the date fixed for redemption and (ii) in the case of Redeemed Covered Bonds represented by a Global Covered Bond, 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), or in the case of Redeemed Covered Bonds that are represented by Book-Entry Covered Bonds, the rules of Iberclear (by reducing the nominal amount of each Book-Entry Covered Bonds), in either case, in compliance with applicable law. In the case of Redeemed Covered Bonds represented by

definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 14 (*Notices*) not less than 5 days prior to the date fixed for redemption.

#### **7.4 Clean-Up Redemption at the Option of the Issuer**

If Clean-Up Redemption Option is specified as applicable in the applicable Covered Bonds Final Terms, and if 75 per cent. or any higher percentage specified in the applicable Covered Bonds Final Terms (the "**Clean-Up Percentage**") of the initial aggregate nominal amount of the Covered Bonds of the same Series (which for the avoidance of doubt includes, any additional Covered Bonds issued subsequently and forming a single series with the first Tranche of a particular Series of Covered Bonds) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled, the Issuer may, at any time, at its option, and having given not less than 5 nor more than 30 calendar days' notice (the "**Clean-Up Redemption Notice**") to the Principal Paying Agent, the Local Paying Agent (in the case of Book-Entry Covered Bonds) and, in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), the Holders, redeem such outstanding Covered Bonds, in whole but not in part, at their Optional Redemption Amount together, if appropriate, with accrued interest to (but excluding) the date of redemption, on the date fixed for redemption identified in the Clean-Up Redemption Notice.

#### **7.5 Early Redemption Amounts**

For the purpose of Conditions 7.2 (*Redemption for tax reasons*) and 7.4 (*Clean-Up Redemption at the Option of the Issuer*), each Covered Bond will be redeemed at its Early Redemption Amount.

#### **7.6 Purchases**

The Issuer or any Subsidiary of the Issuer may purchase Covered Bonds (provided that, in the case of definitive Bearer Covered Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Covered Bonds may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation, or in the case of Book-Entry Covered Bonds, redeemed.

#### **7.7 Cancellation of Covered Bonds (other than Book-Entry Covered Bonds)**

All Covered Bonds 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 Covered Bonds so cancelled and any Covered Bonds purchased and cancelled pursuant to Condition 7.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

### **8. TAXATION**

#### **8.1 In respect of Bearer Covered Bonds and Registered Covered Bonds:**

All payments in respect of the Covered Bonds 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 and principal as shall be necessary in order that the net amounts received by the Holders or Couponholders after such withholding or deduction shall equal the amount of interest which would otherwise have been receivable in respect of the Covered Bonds or 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 Covered Bond or Coupon:

- (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 Covered Bond or Coupon by reason of his having some connection with a Tax Jurisdiction other than (i) the mere holding of such Covered Bond or Coupon or (ii) the receipt of any payment in respect of such Covered Bond 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 6.7 (*Payment Day*)); or
- (d) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such Holder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities; or
- (e) 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 Covered Bonds 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.

As used herein:

- (a) "**Tax Jurisdiction**" means Spain or any political subdivision or any authority thereof or therein having power to tax; and
- (b) the "**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 Principal Paying Agent, or the Registrar, as the case may be, 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 Holders in accordance with Condition 14 (*Notices*).

## 8.2 In respect of Book-Entry Covered Bonds:

All payments in respect of the Book-Entry Covered Bonds 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 principal as shall be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the amount of interest which would otherwise have been receivable in respect of the Book-Entry Covered Bonds, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Book-Entry Covered Bond:

- (a) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Book-Entry Covered Bond by reason of its having some connection with a Tax Jurisdiction other than (i) the mere holding of such Book-Entry Covered Bond or (ii) the receipt of any payment in respect of such Book-Entry Covered Bond; or
- (b) 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 6.7 (*Payment Day*)); or
- (c) to, or to a third party on behalf of, a holder if the Issuer does not receive in a timely manner certain information about the Book-Entry Covered Bonds of such holder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate, pursuant to Law 10/2014 of 26 June, and Royal Decree 1065/2007 of 27 July.

As used herein:

- (a) "**Tax Jurisdiction**" means Spain or any political subdivision or any authority thereof or therein having power to tax; and
- (b) the "**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 Local Paying 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 Holders in accordance with Condition 14 (*Notices*).

## **9. PRESCRIPTION**

Claims for payment in respect of Covered Bonds (whether in bearer, registered or book-entry form) will become void unless made within a period of three years after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefore.

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 or Condition 6.2 (*Presentation of definitive Bearer Covered Bonds and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of definitive Bearer Covered Bonds and Coupons*).

## **10. GREEN, SOCIAL OR SUSTAINABILITY COVERED BONDS**

In the case of any Covered Bonds where the Covered Bonds are stated to be "Green", "Social" or "Sustainability" Covered Bonds in "Reasons for the Offer" in Part B of the applicable Covered Bonds Final Terms and/or it is stated that the proceeds from the issue of the Covered Bonds are intended to be used for "green", "social" or "sustainability" projects as described in the "Use of Proceeds" section (the "**Green, Social or Sustainability Covered Bonds Use of Proceeds Disclosure**" and the "**Green, Social or Sustainability Covered Bonds**", 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 Covered Bonds arise as a result of the net proceeds of such Green, Social or Sustainability Covered Bonds 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 Covered Bonds Use of Proceeds Disclosure.

## **11. REPLACEMENT OF COVERED BONDS, COUPONS AND TALONS**

Should any Covered Bond, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Covered Bonds or Coupons) or the Registrar (in the case of Registered Covered Bonds) 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 Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

## **12. AGENTS**

The names of initial Agents are set out above. 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 Covered Bonds Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds) 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;
- (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; and
- (d) there will at all times be a local paying agent in relation to the Book-Entry Covered Bonds.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*General provisions applicable to payments in respect of*



*Global Covered Bonds*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Holders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Holder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any 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 agent.

### **13. 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 any 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 Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

### **14. NOTICES**

All notices regarding the Bearer Covered Bonds will be deemed to be validly given if published (a) 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 Covered Bonds are admitted to trading on, and listed on the Official List of Euronext Dublin, on Euronext Dublin's website, <https://live.euronext.com/>. 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 Bearer Covered Bonds 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.

All notices regarding Book-Entry Covered Bonds may be given by delivery to the Holders by registered mail to the addresses appearing in the relevant registries maintained by Iberclear or, as the case may be, the relevant Iberclear Member or by any other means which comply with Spanish law and the rules applicable to the giving of notices to investors and, if the Book-Entry Covered Bonds are listed on AIAF, the rules of AIAF.

All notices regarding the Registered Covered Bonds will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Covered Bonds 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.

Until such time as any definitive Covered Bonds are issued, there may, so long as any Global Covered Bonds representing the Covered Bonds 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 holders of the Covered Bonds and, in addition, for so long as any Covered Bonds 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 holders of the Covered Bonds on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Holder shall be in writing and given by lodging the same, together (in the case of any Covered Bond in definitive form) with the relative Covered Bond or Covered Bonds, with the Principal Paying Agent (in the case of Bearer Covered Bonds) or the Registrar (in the case of Registered

Covered Bonds). Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **15. MEETINGS OF HOLDERS AND MODIFICATION**

### **15.1 In respect of Bearer Covered Bonds and Registered Covered Bonds**

This Condition contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions, the Coupons or any of the provisions of the Agency Agreement. The Agency Agreement contains certain additional provisions which regulate procedural matters in relation to meetings of Holders.

(a) Evidence of entitlement to attend and vote

The following persons (each an "**Eligible Person**") are entitled to attend and vote at a meeting of the holders of Covered Bonds:

- (i) a holder of any Covered Bonds in definitive form which is not held in an account with any clearing system;
- (ii) a bearer of any voting certificate in respect of the Covered Bonds; and
- (iii) a proxy specified in any block voting instruction;

A Holder may require the issue by any Paying Agent of voting certificates and block voting instructions in accordance with the terms of the Agency Agreement.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the Covered Bonds to which the voting certificate or block voting instruction relates and the Paying Agent with which the Covered Bonds have been deposited or the person holding the Covered Bonds to the order or under the control of any Paying Agent shall be deemed for those purposes not to be the holder of those Covered Bonds.

(b) Convening of meetings, quorum, adjourned meetings

- (i) The Issuer may at any time and, if required in writing by Holders holding not less than 10 per cent. in nominal amount of the Covered Bonds for the time being outstanding, shall convene a meeting of the Holders and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant Holders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Principal Paying Agent 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 Principal Paying Agent.
- (ii) At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Holders in the manner provided in Condition 14 (*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) state fully the effect on the holders of such Extraordinary resolution, if passed. The notice shall include statements as to the manner in which Holders may arrange for voting certificates or block voting instructions to be issued and, if applicable, appoint proxies or representatives. 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 Holder) 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 Holders present shall choose one of their number to be Chairperson failing which the Issuer may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.
- (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 Covered Bonds 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 Covered Bonds for the time being outstanding provided that at any meeting the business of which includes any of the following matters ("**Basic Terms Modifications**", each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):
  - (A) modification of the Maturity Date of the Covered Bonds 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 Covered Bonds or variation of the method of calculating the rate of interest in respect of the Covered Bonds (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 Covered Bonds); 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 Covered Bonds 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 15.1(c)(ix)(F); or
  - (G) alteration of this proviso or the proviso to Condition 15.1(b)(v) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than three-fourths in nominal amount of the Covered Bonds 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 Holders be dissolved. In any other 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 Principal Paying 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 Principal Paying 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 Covered Bonds 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 Basic Terms Modifications specified in the proviso to Condition 15.1(b)(iv) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-fourth in nominal amount of the Covered Bonds 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 10 were substituted for 21 in Condition 15.1(b)(ii) and the notice shall state the relevant quorum.
- (c) Conduct of business at meetings
- (i) Every question submitted to a meeting shall be decided in the first instance by a show of hands. A poll may be demanded (before or on the declaration of the result of the show of hands) by the Chairperson, the Issuer or any Eligible Person (whatever the amount of the Covered Bonds so held or represented by him). 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 duly demanded, 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 15.1(c)(vi), 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 and any director or officer of any of the Paying Agents may attend and speak at any meeting. Subject to this, but without prejudice to the proviso to the definition of "outstanding" in these Conditions, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Covered Bonds which are deemed not to be outstanding by virtue of the proviso to the definition of "outstanding" in these Conditions. 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 15.1(c)(vi), 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:
    - (1) each €1.00; and
    - (2) in the case of a meeting of the holders of Covered Bonds denominated in a currency other than Euro, the equivalent of €1.00 in that currency (calculated as specified in subclause 18.1(c)(xiii)(A) and 18.1(c)(xiii)(B)).

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 Holders.
- (ix) A meeting of the Holders shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in Conditions 14.1(c)(iv) and 14.1(c)(vi)), namely:
  - (A) power to approve any compromise or arrangement proposed to be made between the Issuer and the Holders and Couponholders or any of them;
  - (B) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders and Couponholders against the Issuer or against any of its property whether these rights arise under the Covered Bonds or the Coupons or otherwise and whether or not involving a reduction or cancellation of all or part of the principal, interest or other amounts payable in respect of the Covered Bonds or an extinguishment of some or all of the rights of the Holders in respect of the Covered Bonds;
  - (C) power to agree to any modification of the provisions contained in the Agency Agreement or the Conditions, the Covered Bonds or the Coupons which is proposed by the Issuer;
  - (D) power to give any authority or approval which under the provisions of this Condition and Schedule 6 to the Agency Agreement or the Covered Bonds is required to be given by Extraordinary Resolution;
  - (E) power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;
  - (F) power to approve any scheme or proposal for the exchange or sale of the Covered Bonds for, or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds 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 Covered Bonds and the Coupons.
- (x) Any resolution (including an Extraordinary Resolution) (i) passed at a meeting of the Holders duly convened and held (ii) passed as a resolution in writing or (iii) passed by

way of electronic consents given by Holders through the relevant clearing system(s), in accordance with the provisions of this Condition and Schedule 6 to the Agency Agreement, shall be binding upon all the Holders whether present or not present at the meeting referred to in (i) above and whether or not voting (including when passed as a resolution in writing or by way of electronic consent) 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 Holders shall be published in accordance with Condition 14 (*Notices*) by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

- (xi) 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.
- (xii) Subject to all other provisions contained in this Condition and Schedule 6 to the Agency Agreement the Principal Paying Agent may without the consent of the Issuer, the Holders or the Couponholders prescribe any other regulations regarding the calling and/or the holding of meetings of Holders and attendance and voting at them as the Principal Paying Agent may in its sole discretion think fit (including, without limitation, the substitution for periods of 24 hours and 48 hours referred to in this Condition and Schedule 6 to the Agency Agreement of shorter periods). Any regulations prescribed by the Principal Paying Agent may but need not reflect the practices and facilities of any relevant clearing system. Notice of any other regulations may be given to Holders in accordance with Condition 14 (*Notices*) and/or at the time of service of any notice convening a meeting.
- (xiii) If the Issuer has issued and has outstanding Covered Bonds which are not denominated in Euro, the nominal amount of such Covered Bonds shall:
  - (A) for the purposes of Condition 15.1(b)(i) above, be the equivalent in Euro at the spot rate of a bank nominated by the Principal Paying Agent for the conversion of the relevant currency or currencies into Euro 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 Condition 15.1(b)(iv), 15.1(b)(vi) and 15.1(c)(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 Euro of any Covered Bonds issued at a discount or a premium shall be calculated by reference to the original nominal amount of those Covered Bonds.

In the circumstances set out above, on any poll each person present shall have one vote for each €1.00 in nominal amount of the Covered Bonds (converted as above) which he holds or represents.

(d) Modifications

The Principal Paying Agent and the Issuer may agree, without the consent of the Holders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Covered Bonds, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Holders; or

- (ii) any modification of the Covered Bonds, the Coupons or 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.

Any such modification shall be binding on the Holders and the Couponholders and any such modification shall be notified to the Holders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(e) Definitions

In these Conditions:

**"block voting instruction"** means an English language document issued by a Paying Agent and dated:

- (i) which relates to a specified nominal amount of Covered Bonds and a meeting (or adjourned meeting) of the holders of the Series of which those Covered Bonds form part;
- (ii) in which it is certified that on the date thereof Covered Bonds (whether in definitive form or represented by a Global Covered Bond) (not being Covered Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) are held to its order or under its control or are blocked in an account with a Clearing System and that no such Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
  - (A) the conclusion of the meeting specified in such block voting instruction; and
  - (B) the surrender to the Paying Agent, not less than 48 hours before the time for which such meeting is convened, of the receipt issued by such Paying Agent in respect of each such deposited Covered Bond which is to be released or (as the case may require) the Covered Bonds ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with subclause 3.4 of Schedule 6 to the Agency Agreement of the necessary amendment to the block voting instruction;
- (iii) states that the Paying Agent has been instructed (either by the holders of the Covered Bonds or by a relevant clearing system) that the votes attributable to the Covered Bonds so blocked should be cast in accordance with the instructions given in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (iv) which identifies with regard to each resolution to be proposed at the meeting the nominal amount of Covered Bonds so blocked, distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and those in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and
- (v) which states that one or more named persons (each a proxy) is or are authorised and instructed by the Paying Agent to cast the votes attributable to the Covered Bonds identified in accordance with the instructions referred to in (d) above as set out in the block voting instruction;

**"Extraordinary Resolution"** means;

- (i) a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition and Schedule 6 to the Agency Agreement 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;

- (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Covered Bonds for the time being outstanding, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the Holders; or
- (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Covered Bonds for the time being outstanding.

**"outstanding"** means, in relation to the Covered Bonds of any Series, all the Covered Bonds issued other than:

- (i) those Covered Bonds which have been redeemed and cancelled pursuant to the Conditions;
- (ii) those Covered Bonds in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the Conditions after that date) have been duly paid to or to the order of the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the Holders in accordance with the Conditions) and remain available for payment of the relevant Covered Bonds and/or Coupons;
- (iii) those Covered Bonds which have been purchased and cancelled in accordance with the Conditions;
- (iv) those Covered Bonds in respect of which claims have become prescribed under the Conditions;
- (v) those mutilated or defaced Covered Bonds which have been surrendered and cancelled and in respect of which replacements have been issued under the Conditions;
- (vi) (for the purpose only of ascertaining the nominal amount of the Covered Bonds outstanding and without prejudice to the status for any other purpose of the relevant Covered Bonds) those Covered Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued under the Conditions;
- (vii) any Temporary Bearer Global Covered Bond to the extent that it has been exchanged for Definitive Bearer Covered Bonds or a Permanent Bearer Global Covered Bond and any Permanent Bearer Global Covered Bond to the extent that it has been exchanged for Definitive Bearer Covered Bonds in each case under its provisions; and
- (viii) any Registered Global Covered Bond to the extent that it has been exchanged for Definitive Registered Covered Bonds and any Definitive Registered Covered Bond to the extent it has been exchanged for an interest in a Registered Global Covered Bond,

provided that for the purpose of:

- (i) attending and voting at any meeting of the Holders of the Series, passing an Extraordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents given through the relevant clearing systems as envisaged by these Conditions and the terms of the Agency Agreement; and
- (ii) determining how many and which Covered Bonds of the Series are for the time being outstanding for the purposes of Condition 15.1,



those Covered Bonds (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;

**"a relevant clearing system"** means, in respect of any Covered Bonds, any clearing system on behalf of which such Covered Bond is held or which is the bearer or (directly or through a nominee) registered owner of a Covered Bond, in each case whether alone or jointly with any other clearing system(s);

**"voting certificate"** means an English language certificate issued by a Paying Agent and dated in which it is stated:

- (i) that on the date thereof Covered Bonds (whether in definitive form or represented by a Global Covered Bond) (not being Covered Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate) where deposited with such Paying Agent or (to the satisfaction of such Paying Agent) are held to its order or under its control or are blocked in an account with a Clearing System and that no such Covered Bonds will cease to be so deposited or held or blocked until the first occur of:
  - (A) the conclusion of the meeting specified in such voting certificate; and
  - (B) the surrender of the voting certificate to the Paying Agent who issued the same; and
- (ii) that the bearer of the voting certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the Covered Bonds represented by the certificate;

**"24 hours"** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where the meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day on which the meeting is to be held) and that period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included all or part of a day on which banks are open for business in all of the places where the Paying Agents have their specified offices; and

**"48 hours"** means a period of 48 hours including all or part of two days on which banks are open for business both in the place where the meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day on which the meeting is to be held) and that period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included all or part of two days on which banks are open for business in all of the places where the Paying Agents have their specified offices.

References in this Condition 15.1 to the Covered Bonds are to the Series of Covered Bonds in respect of which the meeting is, or is proposed to be, convened.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

## **15.2 In respect of Book-Entry Covered Bonds**

This Condition contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions.

- (a) Evidence of entitlement to attend and vote

Holders of Book-Entry Covered Bonds who evidence their condition as such ("**Eligible Persons**") are entitled to attend and vote at a meeting of the holders of Covered Bonds.

- (b) Convening of meetings, quorum, adjourned meetings
- (i) The Issuer may at any time and, if required in writing by Holders holding not less than 10 per cent. in nominal amount of the Covered Bonds for the time being outstanding, shall convene a meeting of the Holders and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant Holders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Local Paying Agent 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.
  - (ii) At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Holders in the manner provided in Condition 14 (*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) state fully the effect on the holders of such Extraordinary resolution, if passed. The notice shall include statements as to the manner in which Holders are entitled to attend and vote at the meeting. 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 Holder) 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 Holders present shall choose one of their number to be Chairperson failing which the Issuer may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.
  - (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 Book-Entry Covered Bonds 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 Book-Entry Covered Bonds for the time being outstanding provided that at any meeting the business of which includes any of the following matters ("**Basic Terms Modifications**", each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):
    - (A) modification of the Maturity Date of the Book-Entry Covered Bonds 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 Book-Entry Covered Bonds or variation of the method of calculating the rate of interest in respect of the Book-Entry Covered Bonds (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 Book-Entry Covered Bonds); 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 Book-Entry Covered Bonds 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 15.2(c)(ix)(F); or

(G) alteration of this proviso or the proviso to Condition 15.2(b)(v) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than three-fourths in nominal amount of the Book-Entry Covered Bonds 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 Holders be dissolved. In any other 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). 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 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 Covered Bonds 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 Basic Terms Modifications specified in the proviso to Condition 15.2(b)(iv) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-fourth in nominal amount of the Book-Entry Covered Bonds 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 10 were substituted for 21 in Condition 15.2(b)(ii) and the notice shall state the relevant quorum.

(c) Conduct of business at meetings

(i) Every question submitted to a meeting shall be decided in the first instance by a show of hands. A poll may be demanded (before or on the declaration of the result of the show of hands) by the Chairperson, the Issuer or any Eligible Person (whatever the amount of the Book-Entry Covered Bonds so held or represented by it). 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 duly demanded, 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 15.2(c)(vi), 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 these Conditions, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Covered Bonds which are deemed not to be outstanding by virtue of the proviso to the definition of "outstanding" in these Conditions. Nothing contained in this paragraph shall prevent any of the proxies appointed by any Holder from being a director, officer or representative of or otherwise connected with the Issuer.
- (vii) Subject as provided in Condition 15.2(c)(vi), at any meeting:
  - (A) on a show of hands every Eligible Person present shall have one vote; and
  - (B) on a poll every Eligible Person present shall have one vote in respect of each Book-Entry Covered Bond.

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 by any Holder need not be Holders.
- (ix) A meeting of the Holders shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in Conditions 14.2(c)(iv) and 14.2(c)(vi)), namely:
  - (A) power to approve any compromise or arrangement proposed to be made between the Issuer and the Holders;
  - (B) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders against the Issuer or against any of its property whether these rights arise under the Covered Bonds or otherwise and whether or not involving a reduction or cancellation of all or part of the principal, interest or other amounts payable in respect of the Book-Entry Covered Bonds or an extinguishment of some or all of the rights of the Holders in respect of the Book-Entry Covered Bonds;
  - (C) power to agree to any modification of the provisions contained in the Conditions which is proposed by the Issuer;
  - (D) power to give any authority or approval which under the provisions of this Condition or the Book-Entry Covered Bonds is required to be given by Extraordinary Resolution;
  - (E) power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;
  - (F) power to approve any scheme or proposal for the exchange or sale of the Book-Entry Covered Bonds for, or the conversion of the Book-Entry Covered Bonds into, or the cancellation of the Book-Entry Covered Bonds 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 Book-Entry Covered Bonds.

(x) Any resolution (including an Extraordinary Resolution) (i) passed at a meeting of the Holders duly convened and held (ii) passed as a resolution in writing or (iii) passed by way of electronic consents given by Holders through the relevant clearing system(s), in accordance with the provisions of this Condition, shall be binding upon all the Holders whether present or not present at the meeting referred to in (i) above and whether or not voting (including when passed as a resolution in writing or by way of electronic consent) and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Holders shall be published in accordance with Condition 14 (*Notices*) by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

(xi) 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.

(d) Definitions

In these Conditions:

**"Extraordinary Resolution"** means;

- (i) a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 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;
- (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Book-Entry Covered Bonds for the time being outstanding, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the Holders; or
- (iii) consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Book-Entry Covered Bonds for the time being outstanding.

**"outstanding"** means, in relation to the Book-Entry Covered Bonds of any Series, all the Book-Entry Covered Bonds issued other than:

- (i) those Book-Entry Covered Bonds which have been redeemed pursuant to the Conditions;
- (ii) those Book-Entry Covered Bonds in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the Conditions after that date) have been duly paid to or to the order of the Local

Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the Holders in accordance with the Conditions) and remain available for payment of the relevant Book-Entry Covered Bonds;

- (iii) those Book-Entry Covered Bonds which have been purchased and redeemed in accordance with the Conditions;
- (iv) those Book-Entry Covered Bonds in respect of which claims have become prescribed under the Conditions,

provided that for the purpose of:

- (i) attending and voting at any meeting of the Holders of the Series, passing an Extraordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents given through the relevant clearing systems as envisaged by these Conditions; and
- (ii) determining how many and which Book-Entry Covered Bonds of the Series are for the time being outstanding for the purposes of Condition 15.2,

those Book-Entry Covered Bonds (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;

References in this Condition 15.2 to the Book-Entry Covered Bonds are to the Series of Book-Entry Covered Bonds in respect of which the meeting is, or is proposed to be, convened.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

## **16. FURTHER ISSUES**

To the extent permitted by applicable laws and regulations and subject to the approval of relevant governmental authority or agency (if any), the Issuer shall be at liberty from time to time without the consent of the Holders or the Couponholders to create and issue further covered bonds having terms and conditions the same as the Covered Bonds 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 Covered Bonds.

## **17. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **17.1 Governing Law**

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

### **17.2 Submission to jurisdiction**

The Issuer hereby irrevocably agrees for the benefit of the Holders that the courts of Spain in the city of Madrid, Spain are to have jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds (including a dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds) and that accordingly any suit, action or proceedings arising out of or in connection with the Covered Bonds (together referred to as "**Proceedings**") may be brought in such courts. The Issuer irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any Proceedings in the courts of the city of Madrid, Spain. To the extent permitted by law, nothing contained in this Condition 17 shall limit any right of any Holders or Couponholders to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not.

### **17.3 Other documents**

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process.

## USE OF PROCEEDS

An amount equivalent to the net proceeds from each issue of Notes (including Senior Notes and Subordinated Notes) or Covered Bonds will be applied by the relevant Issuer:

- (i) for its general corporate purposes; or
- (ii) to finance or refinance, in whole or in part, new or existing Eligible Green Projects meeting the Eligibility Criteria (as both terms are defined below), in which case the relevant Notes will be identified as "Green Notes" in the applicable Notes Final Terms or the relevant Covered Bonds will be identified as "Green Covered Bonds" in the applicable Covered Bonds Final Terms, as applicable; or
- (iii) to finance or refinance, in whole or in part, new or existing Eligible Social Projects (as defined below) meeting the Eligibility Criteria, in which case the relevant Notes will be identified as "Social Notes" in the applicable Notes Final Terms or the relevant Covered Bonds will be identified as "Social Covered Bonds" in the applicable Covered Bonds Final Terms, as applicable; 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 "Sustainability Notes" in the applicable Notes Final Terms or the relevant Covered Bonds will be identified as "Sustainability Covered Bonds" in the applicable Covered Bonds Final Terms, as applicable.

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

The current Sustainable Bond Framework of the GCC Group dated July 2023 is available for viewing on the Issuers' website (<https://www.bcc.es/storage/documents/sustainable-bond-framework-2023-9c64c.pdf>) (the "**Sustainable Bond Framework**") and is in alignment with the Green Bond Principles (GBP-2021, including the June 2021 update), Social Bond Principles (SBP-2023), and Sustainability Bond Guidelines (SBG-2021), established by the International Capital Markets Association (ICMA) (the "**ICMA Principles**"). This alignment has been ratified by a Second Party Opinion provided by Moody's Investors Service, which is also available for viewing on the Issuers' website (<https://www.bcc.es/storage/documents/spo-moodys-28f9f.pdf>).

The following four key pillars are addressed: (i) use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds and (iv) reporting.

### *Identification of projects*

Under the Sustainable Bond Framework, the assets eligible for the issue of Green, Social or Sustainability Securities will focus particularly on 11 key categories: (i) four social categories, aimed at the economic and social development of territories and the protection of vulnerable populations, and (ii) seven environmental categories, aimed at the ecological transition, the achievement of a low-carbon economy, the protection of biodiversity and the prevention of pollution, accompanied by the promotion of the circular economy. All financing that is destined to certain controversial activities (such as certain activities related to mining, the production of tobacco or coke, the chemical and metallurgical industry, among others) will be excluded.

The GCC Group will assess loans and projects that are potentially eligible for financing under the Sustainable Bond Framework through the Sustainability Committee. The business, finance and investment divisions will pre-select eligible loans and submit them to the Sustainability Committee for approval.

The Sustainability Committee will oversee the issue and the allocation of net proceeds, confirm the environmental and/or social impact of the selected assets, uphold and update the Sustainable Bond Framework and approve successive impact reports of Green, Social or Sustainable Securities issues. Green, Social or Sustainable Securities issues will be monitored by this committee at least twice a year. If the proceeds cannot be fully allocated at the time of issue, they shall be temporarily deposited in a cash account or invested in short-term government assets, with a commitment not to invest such funds in CO<sub>2</sub> intensive or other controversial activities.

During the life of the Green, Social and/or Sustainable Securities, the GCC Group will monitor and detect any ESG controversy and, should a project no longer be eligible for inclusion in the pool of Eligible Green Projects and/or Eligible Social Projects, the GCC Group will remove it from the pool and replace it in a timely manner with other eligible asset(s) in accordance with the Eligibility Criteria set out in the Sustainable Bond Framework.



### *Reporting and external review*

The GCC Group will publish an annual Impact and Allocation of Funds Report during the life and until the maturity of the Green, Social or Sustainable Securities, that will be available on its corporate website. The Impact and Allocation Report must at least include information about (i) the amount of revenue allocated to Eligible Green Projects and/or Eligible Social Projects, (ii) the amount of funds pending allocation and details of where they have been temporarily invested, (iii) the amount of funds from financing operations versus re-financing operations, including details of the proportion of co-financing operations, (iv) the location of the assets, (v) the environmental and/or social impact and (vi) the alignment with the United Nations' Sustainable Development Goals.

The GCC Group will also make public through its website the Second Party Opinion in relation to the alignment of its Sustainable Bond Framework with the ICMA Principles and, annually, the report of an independent external auditor who will verify the impact and allocation of funds according to the Eligibility Criteria. The GCC Group will request new external verifications in the event of any significant changes.

Neither the Sustainable Bond Framework nor any of the above websites are incorporated in or form part of this Base Prospectus.

**"Eligibility Criteria"** means the criteria prepared by the GCC Group as set out in the Sustainable Bond Framework.

**"Eligible Green Projects"** means projects falling under the green categories set out in the Sustainable Bond Framework and any other "green" projects set out in the ICMA Green Bond Principles.

**"Eligible Social Projects"** means projects falling under the social categories set out in the Sustainable Bond Framework and any other "social" projects set out in the ICMA Social Bond Principles.

**"ICMA Green Bond Principles"** means the Green Bond Principles published by the International Capital Market Association, as updated from time to time.

**"ICMA Social Bond Principles"** means the Social Bond Principles published by the International Capital Market Association, as updated from time to time.

**"ICMA Sustainability Bond Guidelines"** means the Sustainability Bond Guidelines published by the International Capital Market Association, as updated from time to time.

## DESCRIPTION OF BCC AND THE GCC GROUP

### INTRODUCTION

BCC is the management company of, as well as a Member of, a group of Spanish financial institutions (all credit cooperatives (*cajas rurales*) other than BCC itself which is a bank), each of which operates under their own brand but carry out their activities as a cooperative group within an agreed common framework and subject to a set of common rules and policies under the name Grupo Cooperativo Cajamar. The shareholders of BCC are comprised of all of the Members of the GCC Group as well as a number of other institutional and non-institutional investors who are not Members of the GCC Group.

### Nature of BCC

BCC is a duly registered private bank incorporated on 28 January 2014 under a public deed executed before Mr. José Enrique Cachón Blanco, Notary of Madrid, under number 293 of his record, registered with the Madrid Mercantile Register in Volume 31,884, Folio 131, Page M-573805, Entry 1 on 10 February 2014. The authorisation of the Bank of Spain for the shareholders to grant the deed was issued on 27 January 2014 by the Directorate General for Financial Regulation and Stability, in the terms laid down in Royal Decree 1245/1995 of 14 July, currently repealed by Royal Decree 84/2015, of 13 February. On 18 February 2014 BCC was registered with the Register of Banks and Bankers of the Bank of Spain under code number 0240 and has tax ID number A86853140.

BCC's registered office is Paseo de la Castellana 87, 28046, Madrid, Spain and its contact telephone number is + 34 914 364 703. BCC may establish branches, agencies and representative offices anywhere in Spain and abroad, in accordance with applicable legislation.

BCC is a Spanish company with legal status as a public limited company (*sociedad anónima*) and is governed by the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the "**Spanish Companies Act**"). BCC is subject to special legislation applicable to credit entities and private banking in general, and the supervision, control and regulation of the ECB.

### Incorporation and status of BCC

BCC started its operations in July 2014 and was initially founded by 19 shareholders (all the Spanish credit cooperatives (*cajas rurales*) which originally formed the Cajas Rurales Unidas Cooperative Group together with 13 other external shareholders).

The GCC Group was formed in February 2014 following prior authorisation by means of a resolution of the Executive Committee of the Bank of Spain, which recognised the GCC Group (i) as a consolidated group of credit institutions and (ii) as an institutional protection scheme (GCC IPS). The objective of this structure was to strengthen these credit cooperatives by forming a consolidated group and a common business strategy, with a parent entity, that is a private bank, thus improving access to financial markets and enabling the GCC Group to raise capital from sources other than member contributions. This structure is also intended to enable a better understanding of the GCC Group by investors, supervisors and rating agencies.

As of 31 December 2023, the capital of BCC was €1,059,028 thousand, being its shareholders the 18 credit cooperatives of the GCC Group (as Caixa Rural Albalat dels Sorells, Cooperativa de Crèdit Valenciana was absorbed by Cajamar in 2018) and having 24 entities and 24 individuals as external shareholders (See " – *Capital Structure and Major Shareholders of BCC*" for a list of the shareholders at the date of this Base Prospectus and their percentage participation in the capital of BCC at such date).

BCC develops this common strategy as well as these common policies on behalf of, and for implementation by, the Members. As of the date of this Base Prospectus, the majority of the GCC Group's assets are owned by Cajamar. See "*Description of Cajamar*" below.

### Grupo Cooperativo Cajamar

The GCC Group was formed as a cooperative group in accordance with Spanish law. In summary, a cooperative group under Spanish law is a group comprised of various cooperative companies, regardless of type, and of a group company leader with power to act on behalf of, and who is responsible for directing, the group entities. The

GCC Group is composed of 18 cooperative credit entities (*cajas rurales*) and one public limited company (*sociedad anónima*) (Banco de Crédito Social Cooperativo, S.A.) acting as the parent company (the "**Parent company**"). The Members are obliged to comply with the directions of the Parent company, such that there is decision-making unity within the exercise of the powers of the Parent company.

The Members have set out their rights and obligations, as well as the competencies delegated to BCC, in the regulating agreement (the "**Regulating Agreement**"), the current wording of which was unanimously approved by the general meeting of the Members on 12 December 2018. In the Regulating Agreement the Members waive their own decision-making powers in BCC's favour to ensure the existence of a single decision-making unit. As BCC oversees and manages the GCC Group's policies and has been granted the necessary powers, its instructions are mandatory for all Members.

In accordance with the requirements laid down in Circular 3/2008 and Circular 2/2016 of the Bank of Spain, the Regulating Agreement establishes solvency commitments that are reciprocal, direct and unconditional. They are designed to avoid situations of insolvency on the one hand, and to assess the GCC Group's capital requirements on a common basis and set a solvency objective for the GCC Group that all Members undertake to fulfil, on the other. Additionally, a mandatory capitalisation plan and/or support plans is/are established for Members in the event any of them report a shortfall in funds with respect to the agreed objective.

Similarly, the Regulating Agreement includes a liquidity commitment and, in the event any Members have insufficient liquidity, a liquidity plan and financial assistance plans in order to return to normality.

All of the aforementioned commitments, and the pooling of profits and losses, do not represent an obstacle, in accordance with the applicable legislation, for each of the Members to retain full legal status; have their own management, administration and governance structures (except where such activities are delegated to the Parent company), governing and management bodies, employees and employment framework and brand; and manage their education and development fund.

Pursuant to the Regulating Agreement, BCC is responsible for monitoring the solvency and liquidity of the GCC Group and of all Members, and for deciding any support measures to be adopted in order to provide support to any Member. In such an event, BCC's Board of Directors would issue binding instructions aimed at ensuring the solvency and liquidity of the GCC Group and the Members, if so required by the Bank of Spain or the ECB in accordance with prevailing legislation.

The participating credit cooperatives (*cajas rurales*) that form the GCC Group together with BCC as well as the dates on which their respective general assemblies approved their membership of the GCC Group are set out in the following table:

Entity	Assembly Date
Banco de Crédito Social Cooperativo, S.A.	28/01/2014
Cajamar Caja Rural, Sociedad Cooperativa de Crédito <sup>(1)</sup>	28/11/2013
Caixa Rural de Altea, Cooperativa de Credit Valenciana	27/11/2013
Caja Rural San José de Burriana, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural de Callosa d'en Sarriá, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural San José de Nules, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural de Cheste, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural de Alginet, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural San Jaime de Alquerias del Niño Perdido, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural de Villar, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural San José Vilavella, Sociedad Cooperativa de Crédito <sup>(1)</sup>	28/11/2013
Caja Rural San Roque de Almenara, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural La Junquera de Chilches, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural San Isidro de Vilafamés, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural Católico Agraria, Sociedad Cooperativa de Crédito	28/11/2013
Caja Rural Sant Vicente Ferrer de la Vall D'Uixo, Sociedad Cooperativa de Crédito	28/11/2013
Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana	29/11/2013
Caixa Rural de Turis, Cooperativa de Crédito Valenciana	28/11/2013
Caixa Rural de Torrent, Cooperativa de Credit Valenciana	28/11/2013

<sup>(1)</sup> Formerly, Cajas Rurales Unidas, Sociedad Cooperativa de Crédito. Cajas Rurales Unidas, Sociedad Cooperativa de Crédito was renamed Cajamar Caja Rural, Sociedad Cooperativa de Crédito in December 2015.

### ***Membership of the GCC Group***

Only legally recognised credit cooperatives which have been duly formed in accordance with applicable legislation, which have received all legally required authorisations, and which assume the commitments set out in the Regulating Agreement, can become Members of the GCC Group. The one exception to this is the management company of the GCC Group, BCC, which is a private bank.

Admission of a credit cooperative as a new Member must be preceded by an application approved by its governing bodies and will involve a necessary acquisition of the Parent company's share capital, either by subscribing shares in a capital increase or by purchasing shares from one of the Parent company's shareholders.

Members are required at all times to retain full ownership of their shares in the Parent company and any preferential subscription rights they may hold, free of charges and encumbrances and with all relevant dividend and voting rights.

Members may only transfer their shares in the Parent company to other Members and third parties with the prior consent of the Parent company. In this event, an adjustment must be agreed and made to the corporate governance rules included in the Regulating Agreement based on the new percentage holdings in the Parent company's share capital.

### ***Objectives and Operating Structure of the GCC Group***

Under the Regulating Agreement, the Members waive their own decision-making powers in favour of BCC which was formed as the central decision-making entity of the GCC Group.

BCC oversees and manages the GCC Group's policies and its powers in respect of the GCC Group include: strategic management of the GCC Group, preparation of budgets, decisions concerning the issuance of instruments qualifying as own funds, except contributions to Members' capital by their partners (however Members have to obtain authorisation from the Parent company before redeeming capital contributions, so as to safeguard the GCC Group's liquidity and/or solvency, and in particular Cajamar has delegated powers to the Parent company to authorise the redemption of capital contributions in order to safeguard the GCC Group's solvency), policies, procedures and risk controls, cash management, business plan, geographical expansion and determining the size of the network, internal control and audit, personnel policies, including all aspects of the fixed and variable remuneration policy and, if appropriate, the possible existence of senior management contracts, the terms of their dismissal and pension or similar commitments, information and technology platforms and levels of in-house and out-of-house services (Service Level Agreements), establishment of the remuneration framework for capital contributions, decisions on the distribution or application of results, and indication of agreements Members must adopt through their respective and pertinent governing bodies to comply with any obligatory instructions issued by the Parent company on the date special powers are delegated. The Parent company must lay down guidelines and, where appropriate, issue mandatory instructions in the above areas. BCC's instructions and decisions are binding for all Members.

Each Member operates under its own trademark but must identify itself clearly as a member of the GCC Group and comply with the communication policy set out by BCC as well as all other obligations deriving from the Regulating Agreement.

Thus, BCC has the power to represent the GCC Group and its Members, but each Member maintains its own full legal personality, autonomous management, administration and governance (barring matters specifically delegated to BCC), governance and management bodies, workforce and labour relations framework, image and management of its education and development fund.

### ***Consolidation of annual accounts***

Pursuant to the Regulating Agreement, BCC is responsible for preparing, in addition to its own annual accounts, the consolidated annual accounts of the GCC Group (including the financial information of each of the Members).

Thus, the consolidated audited annual accounts of BCC reflect the assets, liabilities and business of the various Members comprising the GCC Group.

### ***Profit and Loss Pooling of GCC Group results***

The pooling of profit and loss is a mechanism for group integration in order to strengthen economic unity, which is the basis of the GCC Group's consolidation.

Positive amounts derived from such pooling are recorded on the Profit and Loss Account under "Other operating income – Other recurring income". If the result is negative, it is recognised under "Other operating expenses – Other items".

The current pooling mechanism is as defined in the current wording of the Regulatory Agreement. The key aspects of the mechanism are as follows:

(a) General pooling rules

Each year the Members are required to contribute 100% of their respective Adjusted Gross Result (as defined below) to a fund to be distributed in its entirety to Members in proportion to their respective interest in the GCC Group's own funds.

Each Member's interest in total GCC Group equity is calculated taking into consideration the following definitions:

- (i) Gross Result: This is the profit or loss generated in the financial year or calculation period by each Member as per its separate financial statements, before tax, excluding: (i) amount recognised for previous pooling in the same calculation period; (ii) dividends or any other type of partner remuneration for holding an equity stake in another GCC Group entity; (iii) impairment losses of equity stakes in GCC Group entities; (iv) mandatory contributions to the education and development fund; (v) losses from penalties imposed under the penalty system set out in the current agreement; and (vi) losses that entities are required to assume individually to comply with the obligations established by the Parent company on the date special powers were delegated or as a result of other Members contributing, for nothing in return, to the own funds of a Member in accordance with the Regulatory Agreement.
- (ii) Adjustments to the Gross Result to Guarantee Maximum Internal Fairness in the GCC Group:
  - (A) Any revenue that is exempt from corporate income tax and non-deductible expenses *vis-à-vis* corporate income tax generated in circumstances where one or several Members assume 100% of the burden that the GCC Group as a whole should bear. For example, but not exhaustively: (i) tax-free dividends received by an entity as a result of holding an equity stake on behalf of the GCC Group; (ii) non-deductible write-downs of equity stakes in holding companies; and (iii) the impacts on results with no tax effect of goodwill or negative goodwill generated in business combinations and any other impact with similar effects.
  - (B) Any direct impacts on an entity's equity not recognised through profit or loss and therefore never pooled. For example, but not exhaustively: (i) payment of interest on any Additional Tier 1 instruments issued to bolster the GCC Group's solvency; and (ii) gains/losses on disposal of equity instruments at fair value through other comprehensive income and any other similar impacts.

The affected entity's Gross Result will be adjusted to obtain a result that is as close as possible to that which would have been obtained if the event giving rise to the adjustment had been allocated among all GCC Group entities as per their pooling share.

Adjustments to the Gross Result may be deferred over the year taking into account any known adjustments and their expected impact, provided they reflect the true picture at year-end.

The Parent company is expressly authorised to make any necessary adjustments as set out in this section.

- (iii) Adjusted Gross Result: is the result of applying the adjustments to the Gross Result described in point (ii) to the Gross Result stipulated in point (i)
- (iv) Pooling Fund: this will be established using the sum of the Adjusted Gross Result of all the Members.
- (v) Member's Own Funds: Amount shown under the same heading in the published financial statements of each Member, less the book value of equity interests held in any other Member.
- (vi) Group Own Funds: Sum of the own funds of all GCC Group entities, as defined above.

The pooling rate applicable to each Member is calculated annually following the end of the financial year and is effective and applicable during the following year, although the calculation period may be shorter in certain circumstances.

(b) Pooling rules in the event of an accumulation of losses

If a GCC Group credit cooperative's equity falls below its capital as a result of the pooling of accumulated losses by applying the general pooling rules, pooling adjustments for the year must be recalculated to ensure the accumulated losses are allocated as follows:

- (i) Losses will be allocated to each Member in proportion to the percentage of their reserves relative to the total reserves of Members in the pooling scheme. This allocation criterion will be applied until all the Members' reserves are exhausted.
- (ii) If the losses to be pooled exceed the total reserves of Members in the pooling scheme, the surplus losses will be allocated as per the percentages applicable under the general pooling rules. This allocation criterion will be applicable for losses exceeding total reserves and until the equity of all Members is used up.
- (iii) If any losses remain unallocated, they will be assigned based on the percentage of lowest-ranking debt each entity still has as defined in Law 11/2015, RD 1012/2015, Law 27/1999, of 16 July, on Cooperatives, the Insolvency Law, and any other legislation implementing or replacing the aforementioned, until this lowest-ranking debt is used up. In such cases, the percentages of next lowest-ranking debt will be used and so on, until the remaining losses have been fully allocated.

As of 31 December 2023, the pooling share of BCC was 28.39%, compared with 30.31% as of 31 December 2022.

### ***GCC Group Liquidity Commitment***

Members agree to make all their liquidity available to the Parent company through treasury accounts or any other liquidity mechanism established in the GCC Group.

Members cannot obtain wholesale funding, unless expressly authorised by the Parent company.

The Parent company is responsible for providing liquidity to all Members through treasury accounts or any other liquidity mechanism established in the GCC Group.

The Parent company is responsible for ensuring the GCC Group's liquidity and guaranteeing complete compliance with the liquidity requirements and thresholds established internally and by the regulatory and supervisory authorities.

In order to meet these internal and external requirements, the Parent company may:

- (a) Raise finance on wholesale markets.
- (b) Call on any Member to realise assets, carry out securitisations, transfer assets within or outside the GCC Group or implement any other measures it deems necessary.
- (c) Manage liquidity for the whole GCC Group, establishing where necessary to achieve the required values at consolidated level, internal liquidity objectives at individual level that must be met.

All Members provide each other with mutual guarantees to ensure all their liquidity at all times.

The Parent company will be responsible for centrally managing all the treasury services needed to ensure the GCC Group can perform properly, especially minimum capital ratio management.

The Parent company will open treasury accounts with each Member in each of the currencies in which each entity has to operate.

All settlements deriving from the management of treasury services and any other dealings between Members and the Parent company will be made through the treasury accounts, unless the Parent company defines another mechanism for this purpose.

Interest on the treasury accounts will be determined by the Parent company's Assets and Liabilities Committee (ALCO).

### ***GCC Group Solvency Commitment***

Members make up a consolidated group of credit institutions with direct, reciprocal unconditional commitments to provide capital injections to avoid any non-fulfilment of any mercantile or prudential capital adequacy requirements, on the one hand, and to evaluate their capital needs on a common basis, on the other.

The Parent company is responsible for the GCC Group's capital planning. It establishes the capital target for the GCC Group and is able to determine the individual requirements for each Member.

The Parent company is also responsible for ensuring compliance with the GCC Group's minimum capital requirements laid down in applicable legislation and internally established capital targets.

In order to meet these internal and external requirements, the Parent company may:

- (a) Obtain instruments eligible as own funds, directly or through another Member;
- (b) Establish capitalisation plans for Members;
- (c) Establish plans to dispose of assets and/or transfer the business, calling on the collaboration of Members.

The Parent company must ensure that Members individually comply with the own fund requirements established in company law and any other individual internal and external capital adequacy requirements that may exist.

If a Member is unable or expects to be unable to fulfil a statutory or individual capital adequacy requirement, the Parent company must put a recapitalisation plan in place for that entity.

Compliance with this recapitalisation plan will be mandatory and it may include:

- (a) Where possible, subscription of capital by other Members, who will be required to obtain a percentage of the new capital equal to their share in the pooling mechanism balance after stripping out the affected entity's result;
- (b) Transfer of assets within or outside the GCC Group, at fair value;
- (c) Takeover of the entity by another Member; and
- (d) Any other measures that are feasible and appropriate given the entity's position. Depending on the nature of the action to be taken, the Parent company will establish a reasonable criterion for allocation among the other Members.

If a recapitalisation plan is required for a Member, the Parent company may establish restrictions on how the affected entity's results can be distributed.

If a Member is in a position or expects to be in a position where its equity is less than its capital, the Parent company may decide that the other Members will have to make a capital injection, without receiving anything in return, or that other appropriate and feasible steps be taken to redress the affected Member's equity including, for information purposes but not restricted to, the transfer of assets or takeover of the affected entity. Members will be required to participate if contributions are deemed necessary, and these will be calculated based on their share in the pooling mechanism after stripping out the affected entity.

All Members provide each other with mutual guarantees to ensure all their solvency at all times.

### ***Mutual Guarantee***

The GCC Group guarantees the solvency and liquidity of Members in the terms set out in the Regulatory Agreement. To achieve this, Members are mutual joint and several guarantors.

The mutual guarantee implies that the GCC Group must meet, if necessary, all the Members' payment obligations towards creditors, in any circumstances, fully and without restriction.

The responsibility for honouring payment obligations with third parties and for the financing of the GCC Group that each Member acquires is joint and several. Members expressly waive the benefits of exclusion, seniority and division. In particular, if any events triggering special delegation of powers occur, all the Members and creditors will be subject to the general principle of equal treatment, irrespective of the Member to which the direct creditors or partners pertain.

### ***Duration of GCC Group and rules governing separation from the GCC Group***

The GCC Group was created with the aim to be a stable organisation, within its foundations based on the cooperative credit system. In this respect, the duration of the GCC Group is unlimited, although a mandatory minimum period of ten consecutive years is laid down as from the date of the incorporation of each Member into the GCC Group and its associated institutional protection scheme regulated by the Regulating Agreement.

During the six months prior to the fulfilment of this mandatory minimum period, and having obtained authorisation from the supervisory authorities, Members may submit a formal request to the Parent company to voluntarily withdraw from the GCC Group. The withdrawal shall be effective within two years from the date on which the mandatory minimum membership period elapses.

Once the mandatory minimum membership period has elapsed without the Member having requested the voluntary withdrawal of the GCC Group, a new ten-year mandatory minimum period starts automatically. Members will still be entitled to apply for voluntary withdrawal as per the procedure and deadlines indicated in the previous paragraph.

As an exception, Cajamar assumes the indefinite character of the cooperative group and undertakes not to request its voluntary separation from the GCC Group or to exercise the right of separation at any time without first obtaining the prior express authorisation of BCC.

During the transitional period from notice being given of voluntary withdrawal and the date on which this actually takes effect, the Member concerned will lose all their voting rights as a Member of the GCC Group and the voting and dividend rights attached to the shares representing BCC's capital held by the Member. The Member's obligations to contribute own funds to the GCC Group and its solvency commitments will remain.

If so decided by BCC, the Member may be required to sell and transfer the shares it owns to BCC or other Members (as decided by BCC), free of all charges and encumbrances and with all related voting and dividend rights at a price equal to the lower of (i) the fair value of the shares at the time of transfer and (ii) the acquisition value of the shares.

Each of the Members has accepted that it does not have any rights to the assets or liabilities that might figure on the balance sheet of BCC or to BCC's business if such Member exits the GCC Group.

Voluntary separation from the GCC Group is penalised by way of damages in an amount equivalent to 2% of the total average assets of the Member requesting separation. Additionally, the voluntary separation of a Member must be authorised by the Bank of Spain.

Any amendment of certain aspects of the Regulating Agreement may give rise to a right of Members to apply for separation provided that this is authorised by the Bank of Spain, with the same effects as described above for voluntary separation. This is an exceptional right of separation and may only be exercised in the event of an amendment to the Regulating Agreement which the Member in question had voted against, and which necessarily involved a significant increase in the powers delegated by Members to BCC, provided that this does not result from a regulatory change or is not supported by at least half of the Members (excluding BCC).



The forced departure of members will occur when they cease to meet the requirements for GCC Group membership, subject to approval by BCC's Board of Directors or a very serious breach occurs that, given its nature, results in expulsion from the GCC Group. In this event the Member will be required to sell or transfer its shares in BCC, free of all charges and encumbrances and with all related voting and dividend rights, for an overall price of €1 and will bear an additional penalty for damages equivalent to 5% of its average total assets, regardless of the grounds for its expulsion from the GCC Group.

During the transitional period between the notification of exit and the actual separation (12 months in the case of forced departure), the Member concerned will lose all of its voting rights as a Member of the GCC Group and the voting and dividend rights arising from its equity interest in BCC. However, it will maintain its obligations to contribute capital to the GCC Group even though it will lose its right to obtain financial assistance from other Members. Furthermore, the relevant Member will continue to be bound during the transitional period by the financial commitments undertaken by it while a Member of the GCC Group.

### ***Institutional Protection Scheme***

An institutional protection scheme ("**IPS**") is defined in CRR as a contractual or statutory liability arrangement which protects its member institutions and in particular ensures that they have the liquidity and solvency needed to avoid insolvency where necessary. The competent authorities may, in accordance with the conditions laid down in the CRR, waive selected prudential requirements or allow certain derogations for IPS member institutions. Currently, IPSs are recognised for CRR purposes in five countries participating in the SSM: Austria, Germany, Poland, Italy and Spain. In most cases, both significant institutions and less significant institutions subject to ECB supervision are members of the same IPS. The two main sectors covered by IPSs in the three relevant Euro area countries are cooperative and savings banks. One of the main features of those sectors is the high degree of autonomy and independence of the individual credit institutions. This means that IPSs – notwithstanding the fact that they ensure the liquidity and solvency of their member institutions – are not the same as consolidated banking groups (source: *ECB Guide on the approach for the recognition of institutional protection schemes (IPS) for prudential purposes*).

The GCC IPS is the institutional protection scheme comprised of the 18 credit cooperatives that have adhered to it (the largest of which is Cajamar) and BCC as the head of the GCC Group. The GCC IPS has been recognised as an IPS by the Bank of Spain.

BCC manages the GCC IPS in its role as the controlling and decision-making entity. The instructions of BCC in respect of management, administration and governance of the GCC IPS are binding and should be observed by all the Members that participate. BCC provides all central services and functions for the existing Members as well as any other credit cooperatives that may become shareholders of BCC in the future. BCC is also responsible for preparing the consolidated financial statements of GCC IPS.

Spanish Royal Decree-law 11/2017, of 23 June, amended Law 13/1989, of 26 May, on credit cooperatives, explicitly allowing credit cooperatives to be integrated in two different types of IPSs, either reinforced IPSs or full mutualisation IPSs, which are regulated by the Fifth Additional Provision of Law 10/2014, or regulatory IPSs, which are regulated by Article 113.7 of CRR. GCC Group is considered a reinforced IPS regulated by the Fifth Additional Provision of Law 10/2014.

The General Assembly of Cajamar and the General Shareholders Meeting of BCC held on 25 April 2019 and 7 May 2019 respectively, approved the modification of the Regulating Agreement in order to reinforce the commitments and guarantees among the Members of the GCC Group, adapting it to the new European banking resolution rules. The other remaining entities within the GCC Group approved the modified Regulating Agreement in their respective assemblies. The main changes seek to improve the losses pooling system through the following mechanisms:

- (a) Mutual guarantees are reinforced among its Members, reaching all creditors of any entity in the GCC Group, including subordinated ones.
- (b) Delegations to BCC for recovery and resolution are strengthened.
- (c) The GCC Group is presented as a single functional entity, where the interests of the group prevail over those of the Members.
- (d) BCC is granted the capacity to limit both the refund of the cooperative capital of the Members and their remuneration.

## **BUSINESS ACTIVITIES OF BCC AND THE GCC GROUP**

### **Business and activities of BCC**

BCC is a private bank governed by applicable regulations governing credit institutions and private banking and its corporate purpose is to carry out typical banking activities such as lending and investment services or other related banking services in accordance with applicable law. BCC's banking activities (on an individual basis) are, among others, on the asset side, managing investment portfolios, taking deposits with credit institutions (which may or may not be Members of the GCC Group) and an increasing portfolio of loans and receivables to debtors, while on the liabilities side its activities are mainly holding deposits of central banks, deposits of credit institutions and of other debtors (which may or may not be Members of the GCC Group) and also, temporary assignments of shares (repurchase agreements).

On 1 September 2016, BCC entered into an agency agreement with Cajamar pursuant to which the former appointed the latter as its credit institution agent for the whole of Spain. Cajamar will act as BCC's independent intermediary in the promotion, negotiation and formalisation, in the name and on behalf of BCC, of the operations comprising its business, specifically of financial products and services. In accordance with this agreement, corporate loan transactions for a term of more than three years and amount over €500,000 generated through any branch of Cajamar in which Cajamar acts as managing entity, will be booked through BCC.

In addition, BCC is the parent entity of the GCC Group, and the Members have delegated certain functions and competencies to BCC in accordance with the Regulating Agreement. The principal activities of BCC in respect of this role include the preparation and filing of the consolidated annual accounts of the GCC Group, liaising on behalf of the GCC Group and each of the Members with the ECB, the Bank of Spain, the CNMV and any other supervisory authorities, administrative authorities or other related entities such as auditors or credit rating agencies, setting the framework for corporate governance and the remuneration policy of the GCC Group, monitoring regulatory compliance for all Members and the GCC Group as a whole and exercising all other powers delegated by the Members under the Regulating Agreement. BCC is also responsible for monitoring the solvency and liquidity of the GCC Group and each of the Members and the distribution of the profits of the Members.

### **Business activities of the GCC Group**

The Members of the GCC Group are governed by applicable law governing credit cooperatives and are also subject to the general regulations covering credit institutions. The activities of the Members comprise those aimed at providing financial services to members and third parties through their own individual activities as credit cooperatives. Such activities include asset and liability transactions and permitted services.

On a consolidated basis, as of 31 December 2023, the GCC Group had total assets of €60,156 million, compared with €62,316 million on 31 December 2022. Customer loans and credit institutions loans (under loans and advances at amortised cost) represented €36,050 million and €1,048 million as of 31 December 2023, respectively (compared with €35,829 million and €568 million as of 31 December 2022, respectively) and debt securities at amortised cost represented €12,184 million as of 31 December 2023 (compared with €13,975 million as of 31 December 2022). In terms of the GCC Group's liabilities, on 31 December 2023 it held €969 million in deposits from central banks (€6,639 million as of 31 December 2022), €3,771 million deposits from credit institutions (€2,139 million as of 31 December 2022), €43,720 million customer deposits from other creditors (€43,153 million as of 31 December 2022) and €3,400 million debt securities issued (€2,053 million as of 31 December 2022).

The Members offer a wide range of financial services, including deposit taking, asset management, retail banking through their branches, corporate banking and financing, personal loans, financial transactions with non-residents, mortgage lending, brokerage, leasing, telephone and electronic banking, fund management, insurance and other related secondary products and services. The main activity of the GCC Group is retail commercial banking, although the GCC Group also provides private banking services and has increased its marketing activity in respect of insurance, pension plans and investment funds. Since its core activity is retail commercial banking, the GCC Group does not present segment information in its consolidated annual accounts.

Within its retail commercial banking activity, the GCC Group carries out activities within three basic areas: deposit taking, lending and other products and services.

### ***Deposit Taking Activities***

The main types of deposits offered by the GCC Group consist of current accounts and term deposits, whether denominated in euros or in other currencies.

These are the traditional services offered by Spanish credit cooperatives and are, in essence, contracts for the deposit of client money with varying terms and liquidity and which offer clients an agreed rate of return.

The following table sets out the breakdown of deposits on a consolidated basis for the GCC Group as of 31 December 2023 and 2022:

<b>(Thousands of euros)</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Deposits from central banks	969,302	6,639,329
Deposits from credit institutions	3,771,027	2,138,765
Deposits from customers	43,719,926	43,153,333
<b>Total</b>	<b>48,460,255</b>	<b>51,931,427</b>

The following table sets out the breakdown of customer deposits(1) on a consolidated basis for the GCC Group as of 31 December 2023 and 2022:

<b>(Thousands of euros)</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Demand deposits / Sight deposits	35,839,191	36,773,069
Term deposits	7,589,810	3,470,400
Other accounts	4,552	4,122
Valuation adjustments - Accrued interest	60,795	8,805
Valuation adjustments - Unaccrued transaction costs	(4,819)	(4,057)
<b>Total <sup>(1)</sup></b>	<b>43,489,529</b>	<b>40,252,339</b>

<sup>(1)</sup> It does not include repurchase agreements through central counterparties of 0 in 2023 (€2,545,781 in 2022) neither cash received from participation mortgages issued of €230,397 in 2023 (€355,213 in 2022).

### ***Lending Activities***

The lending activity of the GCC Group is comprised primarily of loans backed by personal guarantees, mortgage-backed loans, secured loans, factoring (*descuento comercial*), the provision of third-party guarantees, leasing, confirming and renting.

The following table sets out a breakdown of the consolidated credit portfolio of the GCC Group as of 31 December 2023 and 2022 by type of customer and portfolio:

<b>Thousands of euros</b>	<b>31/12/2023</b>		<b>31/12/2022</b>	
	<b>Exposure</b>	<b>Distribution</b>	<b>Exposure</b>	<b>Distribution</b>
<b>Retail</b>	<b>22,538,496</b>	<b>53.36%</b>	<b>23,717,054</b>	<b>57.28%</b>
Home mortgage	12,407,862	29.37%	13,026,981	31.46%
Other household financing	1,106,135	2.62%	991,28	2.39%
Automatically renewable	706,240	1.67%	686,713	1.66%
Small businesses	4,602,929	10.90%	5,191,357	12.54%
Retail agro-food	3,715,330	8.80%	3,820,723	9.23%
<b>Corporate</b>	<b>14,371,739</b>	<b>34.03%</b>	<b>13,095,285</b>	<b>31.63%</b>
Developers	479,569	1.15%	599,042	1.85%
Corporate agro-food	4,855,147	11.49%	4,769,784	10.75%
SMEs	2,472,391	5.85%	2,498,088	6.44%
Large companies	6,564,632	15.54%	5,228,371	10.71%

Thousands of euros	31/12/2023		31/12/2022	
	Exposure	Distribution	Exposure	Distribution
Public administrations	3,944,189	9.34%	3,014,009	7.55%
Non-profits	157,475	0.37%	146,046	0.37%
Financial intermediaries	1,225,506	2.90%	887,693	2.22%
<b>Total Loan Portfolio</b>	<b>42,237,405</b>	<b>100.00%</b>	<b>41,403,923</b>	<b>100.00%</b>
<i>Of which:</i>				
Structured transactions	2,893,408	6.85%	2,832,746	6.84%

Note: the figures presented in the table above correspond to the information managed by the Loan Book Control Area and not the balance sheet figures. They include customer loans and advances, contingent liabilities, undrawn balances drawable by third parties (with the exception of developer loans which exclude amounts drawable due to subrogations), assets in delinquency and loans securitised and derecognised; they do not include valuation adjustments.

### ***Other Products and Services***

The other products and services of the GCC Group can be divided into six groups, namely, payment services, insurance products, extra-territorial services, virtual office, funds and other services.

Payment services include credit and debit cards, pre-payment cards, instant-cash services (via networked cash machines and the customer's mobile telephone), point-of-sale terminals, toll-road payment services and a new money transfer application for smartphones.

The GCC Group offers a range of insurance products including home, transportation, accident, life (including savings and pension plans), business and civil liability insurance.

The extra-territorial services offered by the GCC Group include, among others, import and export guarantees, import and export finance, foreign currency loans, foreign currency swaps, payment transfer services, remittance services and foreign pension services.

The GCC Group's virtual office services include electronic and telephone banking, on-line broker services, e-billing services, web-based remittance and financial services and mobile banking applications for tablets and smartphones.

The GCC Group promotes a number of mutual funds managed by TREA Asset Management SGIIC, S.A. as well as by other asset managers. These include, among others, diversified euro fixed income funds, mixed defensive funds, mixed moderate funds, equity funds and global income funds.

Other services offered by the GCC Group include interest rate swaps, services targeted specifically at agriculture sector clients (such as sector-specific insurance and payment services) as well as invoicing and payment management services, safe deposit box rentals, tax collection services and cash pooling.

### ***New Products and Services***

Since it began operations, the GCC Group has been expanding the products and services that it offers and to this end has introduced:

- (a) New savings and cash deposit accounts targeted at individuals and self-employed workers.
- (b) Centralised cash management systems, new credit lines and pre-approved loans for SMEs and companies.
- (c) Service portfolios and platforms in order to assist SMEs in expanding their business internationally.
- (d) Digital banking and applications for use on smartphones.
- (e) New insurance and pension products.

### **The GCC Group network**

The GCC Group has in recent years been making steps to consolidate and optimise the network of branches in order to adapt its commercial structure to the current environment of economic slowdown and to curb the growth in its operating expenses. In 2022, the number of branches was 843, and as of 31 December 2023 the GCC Group

operates in the market through 832 branches. The following table details these branches by province and autonomous community across Spain:

Province	Number of GCC Group branches	
	2023	2022
<b>ANDALUCÍA</b>	<b>228</b>	<b>230</b>
Almeria	97	98
Cádiz	10	10
Córdoba	8	8
Granada	19	19
Huelva	5	5
Jaén	7	7
Málaga	72	73
Sevilla	10	10
<b>ARAGÓN</b>	<b>5</b>	<b>5</b>
Zaragoza	3	3
Huesca	3	2
Teruel	1	-
<b>ASTURIAS</b>	<b>3</b>	<b>3</b>
<b>BALEARES</b>	<b>19</b>	<b>21</b>
<b>CANARIAS</b>	<b>40</b>	<b>41</b>
Las Palmas	26	27
Santa Cruz de Tenerife	14	14
<b>CANTABRIA</b>	<b>2</b>	<b>2</b>
<b>CASTILLA LA MANCHA</b>	<b>15</b>	<b>15</b>
Albacete	6	6
Ciudad Real	4	4
Cuenca	3	3
Guadalajara	1	1
Toledo	1	1
<b>CASTILLA LEÓN</b>	<b>60</b>	<b>61</b>
Ávila	4	4
Burgos	3	3
León	10	10
Palencia	10	10
Salamanca	2	2
Segovia	2	2
Soria	1	1
Valladolid	25	26
Zamora	3	3
<b>CATALUÑA</b>	<b>34</b>	<b>34</b>
Barcelona	24	25
Gerona	3	3
Lérida	2	1
Tarragona	5	5
<b>COMUNIDAD VALENCIANA</b>	<b>257</b>	<b>263</b>
Alicante	68	70
Castellón	51	51
Valencia	138	142
<b>EXTREMADURA</b>	<b>4</b>	<b>4</b>
Badajoz	3	3
Cáceres	1	1

Province	Number of GCC Group branches	
	2023	2022
<b>GALICIA</b>	<b>7</b>	<b>7</b>
La Coruña	3	3
Orense	1	1
Lugo	1	1
Pontevedra	2	2
<b>LA RIOJA</b>	<b>2</b>	<b>2</b>
<b>MADRID</b>	<b>35</b>	<b>35</b>
<b>MURCIA</b>	<b>111</b>	<b>113</b>
<b>NAVARRA</b>	<b>4</b>	<b>4</b>
<b>PAÍS VASCO</b>	<b>2</b>	<b>1</b>
Álava	1	1
Vizcaya	1	-
<b>CEUTA</b>	<b>1</b>	<b>1</b>
<b>MELILLA</b>	<b>1</b>	<b>1</b>
	<b>832</b>	<b>843</b>

The GCC Group's core regions are the Community of Valencia and the provinces of Almería, Málaga and Murcia. The GCC Group has its business centre in these provinces where it has a significant market share. Also, through the process of merger by absorption of Caja Rural del Duero, the GCC Group also has a significant presence in Valladolid and Palencia.

## DIRECTORS AND MANAGEMENT OF BCC

### Composition of the Board of BCC

At date of this Base Prospectus the Board of Directors of BCC is comprised of 14 members. The business address for each member of its Board of Directors listed below is Paseo de la Castellana, nº 87, 28046, Madrid, Spain.

The current composition derives from the agreements adopted at the General Shareholders' meeting of BCC, held on 30 May 2023, which unanimously approved the appointment of Ms. Rosa María Vidal Monferrer and Mr. Francisco Javier Astiz Fernández as proprietary director and independent director, respectively, whose registration with the Bank of Spain's Senior Officers Register is still to be completed. Additionally, Ms. María Teresa Vázquez Calo has resigned as independent director with effects from 30 May 2023. This led to a Board of Directors composed of 11 members, plus the Chairman, Deputy Chairwoman and CEO.

Name of the Director	Current position in the Board
Mr. Luis Rodríguez González <sup>(1)</sup>	Chairman
Ms. Marta de Castro Aparicio <sup>(2)</sup>	Deputy Chairwoman
Mr. Manuel Yebra Sola <sup>(3)</sup>	Chief Executive Officer
Mr. Antonio de Parellada Durán <sup>(1)</sup>	Member
Mr. Joan Bautista Mir Piqueras <sup>(1)</sup>	Member
Mr. Bernabé Sánchez-Minguet Martínez <sup>(3)</sup>	Member
Mr. Francisco Javier Astiz Fernández <sup>(2)</sup>	Member
Mr. Rafael García Cruz <sup>(3)</sup>	Member
Mr. Antonio Cantón Góngora <sup>(2)</sup>	Member
Mr. Antonio José Carranceja López de Ochoa <sup>(2)</sup>	Member
Ms. Ana Nuñez Álvarez <sup>(2)</sup>	Member
Mr. Luis Francisco Fernández-Revuelta Pérez <sup>(2)</sup>	Member
Ms. María López Fernández <sup>(1)</sup>	Member
Ms. Rosa María Vidal Monferrer <sup>(1)</sup>	Member

<sup>(1)</sup> Proprietary director representing Cajamar.

<sup>(2)</sup> Independent director

<sup>(3)</sup> Executive director

Mr. Francisco de Borja Real de Asúa Echavarría is the Secretary (non-director) of the Board of Directors and Ms. María Del Mar Pérez Gálvez is the Vice secretary (non-director) of the Board of Directors.

The following Directors of the board of BCC are also members of the following boards:

Name of the Director	Activity outside of BCC
Mr. Joan Bautista Mir Piqueras	<ul style="list-style-type: none"> <li>Counselor of Agricultura y Conservas, S.A.</li> <li>President of Agrikoop</li> <li>Counselor of ANECOOP UK, LTD.</li> <li>Patron of Francisco Balbatre, Foundation</li> </ul>
Mrs. Ana Nuñez Álvarez	<ul style="list-style-type: none"> <li>Patron of Inuit Foundation</li> </ul>
Mr. Antonio Cantón Góngora	<ul style="list-style-type: none"> <li>Chairman of Maintenance Development S.A.</li> <li>Chairman of Medbuying Technologies Group S.L.</li> <li>Manager of Paericas, S.L.</li> </ul>

### Corporate Governance

BCC's Board of Directors has implemented a defined and transparent set of rules and regulations for corporate governance, which is compliant with all applicable Spanish corporate governance standards.

The Board has delegated some of its powers to the following committees, in compliance with best practices.

The composition of these committees as of date of this Base Prospectus is shown in the table below.

Position	Delegated Committee	Audit Committee	Appointments Committee	Risk Committee	Strategy Committee	Sustainability Committee	Remunerations Committee	Technology and Cybersecurity Committee
<b>Chairman</b>	Mr. Luis Rodríguez González	Mr. Antonio Cantón Góngora	Ms. Marta de Castro Aparicio	Mr. Antonio José Carranceja López de Ochoa	Mr. Joan Bautista Mir Piqueras	Mrs. María López Fernández	Mrs. Ana Nuñez Álvarez	Mr. Rafael García Cruz
<b>Vice-Chair</b>	Ms. Marta de Castro Aparicio							
<b>Member</b>	Mr. Manuel Yebra Sola	Mr. Francisco Javier Astiz Fernández	Ms. Rosa María Vidal Monferrer	Ms. Marta de Castro Aparicio	Mr. Luis Rodríguez González	Mr. Bernabé Sánchez-Minguet Martínez	Mr. Luis Francisco Fernández-Revuelta Pérez	Mr. Luis Rodríguez González
<b>Member</b>	Mr. Bernabé Sánchez-Minguet Martínez	Ms. Ana Nuñez Alvarez	Mr. Luis Francisco Fernández-Revuelta Pérez	Mr. Antonio de Parellada Durán	Mr. Antonio de Parellada Durán	Mr. Francisco Javier Astiz Fernández	Mr. Antonio de Parellada Durán	Mr. Antonio José Carranceja López de Ochoa
<b>Member</b>	Mr. Antonio José Carranceja López de Ochoa	Mr. Luis Francisco Fernández-Revuelta Pérez	Mrs. María López Fernández	Mrs. Ana Nuñez Álvarez	Mr. Rafael García Gruz	Mr. Antonio de Parellada Durán	Mr. Antonio José Carranceja López de Ochoa	Mr. Antonio Cantón Góngora
<b>Member</b>	Mr. Antonio Cantón Góngora	Ms. Marta de Castro Aparicio	Mr. Francisco Javier Astiz Fernández	Mr. Francisco Javier Astiz Fernández	Ms. Rosa María Vidal Monferrer	Ms. Rosa María Vidal Monferrer	-	Ms. Ana Nuñez Alvarez

<b>Member</b>	Ms. María López Fernández	-	-	-	-	-	-	Mr. Luis Francisco Fernández-Revuelta Pérez
<b>Secretary</b>	Mr. Francisco de Borja Real de Asúa Echavarría <sup>(*)</sup>	Mr. Francisco de Borja Real de Asúa Echavarría <sup>(*)</sup>	Mr. Francisco de Borja Real de Asúa Echavarría <sup>(*)</sup>	Mr. Francisco de Borja Real de Asúa Echavarría <sup>(*)</sup>	Mr. Francisco de Borja Real de Asúa Echavarría <sup>(*)</sup>	Mr. Francisco de Borja Real de Asúa Echavarría <sup>(*)</sup>	Mr. Francisco de Borja Real de Asúa Echavarría <sup>(*)</sup>	
<b>Vice secretary</b>	Mrs. María Del Mar Pérez Gálvez <sup>(*)</sup>	Mrs. María Del Mar Pérez Gálvez <sup>(*)</sup>	Mrs. María Del Mar Pérez Gálvez <sup>(*)</sup>	Mrs. María Del Mar Pérez Gálvez <sup>(*)</sup>	Mrs. María Del Mar Pérez Gálvez <sup>(*)</sup>	Mrs. María Del Mar Pérez Gálvez <sup>(*)</sup>	Mrs. María Del Mar Pérez Gálvez <sup>(*)</sup>	

<sup>(\*)</sup> Non-director

<sup>(\*\*)</sup> In the rest of the Committees, in the event of the Secretary's inability to act, the Vice secretary shall act on his behalf.

### *Delegated Committee*

As a result of the resolutions passed by the General Shareholders' meeting of BCC held on 30 May 2023 and by the Board of Directors' meetings held on 28 March and 30 May 2023, the previous Executive Committee has been rendered ineffective and the creation of a new Delegated Committee has been approved. The day-to-day management of BCC will be carried out by members of the Delegated Committee and its executive officers. The Delegated Committee is responsible for the coordination of BCC's executive management, adapting to this end any resolutions and decisions within the scope of the powers vested in it by the Board of Directors that are more limited than those of the Executive Committee. Decisions adopted by the Delegated Committee are reported to the Board of Directors.

### *Audit Committee*

BCC's Audit Committee supervises aspects in relation to the maintenance of an effective internal supervision system, using (among others) the internal and external audit services for this purpose.

### *Appointments Committee*

The Appointments Committee (among other functions) is responsible for advising on the appointment and suitability of the board members.

### *Risk Committee*

The Risk Committee is responsible for ensuring the proper management and supervision of the risks affecting BCC. Risks falling under the Committee's competency include those involving credit, the market, interest, liquidity, as well as operational, legal and reputational risks.

### *Strategy Committee*

The Strategy Committee is responsible for calibrating the level of compliance with the commercial targets of each Member.

### *Sustainability Committee*

The Sustainability Committee monitors the performance of the GCC Group in all matters related to sustainability (including environmental, social and governance aspects). In particular, it monitors compliance with the Sustainable Bond Framework.



## Remunerations Committee

The Remuneration Committee is responsible for dealing with aspects in relation to establishing, monitoring and supervising BCC's general remuneration system, and in particular that of its management bodies and senior executives.

## Technology and Cybersecurity Committee

The Technology and Cybersecurity Committee is responsible for supervising technological risks, cybersecurity management and monitoring the technological strategy.

## Conflicts of Interest

BCC believes that no conflicts of interest exist between the duties of its Board of Directors and senior management and their private interests or other duties.

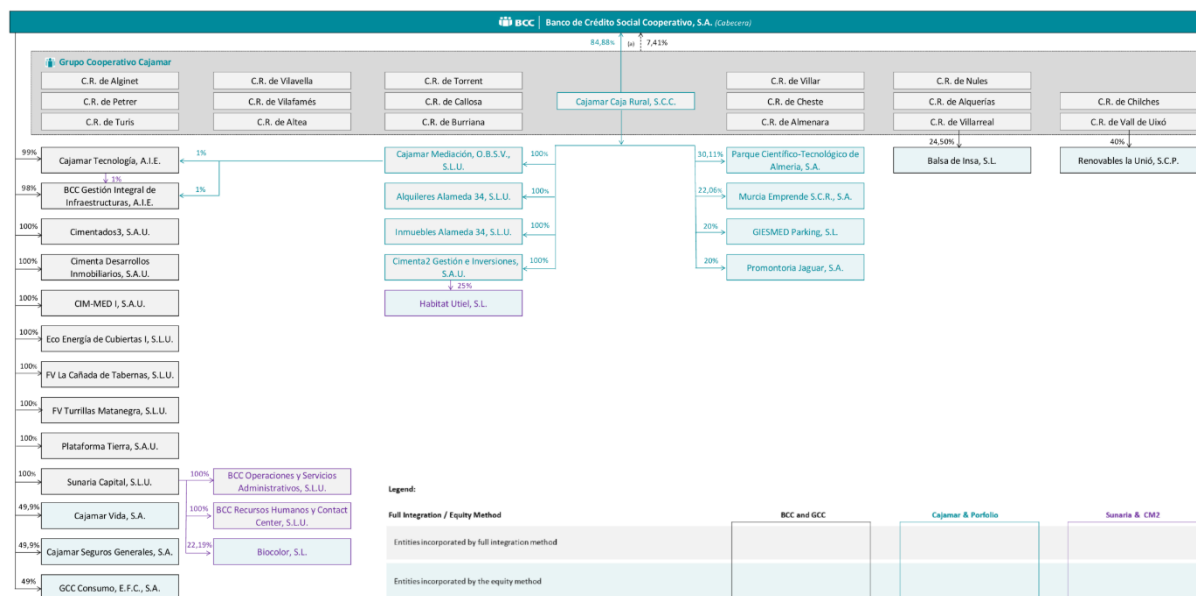
## ORGANISATIONAL STRUCTURE

The GCC Group comprises 18 credit cooperatives<sup>19</sup> and one bank (BCC).

As of 31 December 2023, the shareholders of BCC are comprised of 18 credit cooperatives which are Members of the GCC Group, together with 13 other credit cooperatives from Extremadura, Andalucía, Castilla-La Mancha, Catalonia and the Community of Valencia that do not form part of the GCC Group, 11 other institutions and 24 individuals as further described under "– Capital Structure and Major Shareholders of BCC".

Save as expressly set out in the Regulating Agreement, each Member maintains its full legal personality, autonomous management, administration and governance (barring matters specifically delegated to BCC), governing and management bodies, workforce and labour relations framework, image and management of its education and promotion funds. BCC as the parent entity of the GCC Group, exercises all of the delegated competencies and powers under the Regulating Agreement on behalf of the GCC Group and its Members. The instructions and decisions of BCC are binding on the Members.

The following structure chart sets out the structure of the GCC Group as of 31 March 2024:



(a) The remaining 7.71% of the participation up to the 100% is composed by entities that are not part of the GCC Group, as well as by members of the Board of Directors and management of the entity.

<sup>19</sup> Caixa Rural Albalat dels Sorells, Cooperativa de Crèdit Valenciana merged into Cajamar during 2018.

## CAPITAL STRUCTURE AND MAJOR SHAREHOLDERS OF BCC

BCC's issued share capital as of the date of this Base Prospectus is €1,059 million made up of 1,059 million registered shares with a par value of €1 each. All shares are of the same class and series, fully subscribed and paid in. The shares issued by BCC are the same class for all Members of the GCC Group and the other shareholders.

As of 31 December 2023 and 31 December 2022 BCC's share capital breaks down as follows by shareholder contribution:

Members	% share	
	31/12/2023	31/12/2022
Cajamar Caja Rural, Sociedad Cooperativa de Crédito <sup>(1)</sup>	84.87	84.87
Caixa Rural de Torrent, Cooperativa de Crédito Valenciana	1.51	1.51
Caixa Rural de Altea, Cooperativa de Crédito Valenciana	0.87	0.87
Caja Rural San José de Burriana, Sociedad Cooperativa de Crédito	0.73	0.73
Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana	0.63	0.63
Caja Rural Católico Agraria, Sociedad Cooperativa de Crédito	0.76	0.76
Caja Rural de Callosa d'en Sarriá, Sociedad Cooperativa de Crédito	0.52	0.52
Caja Rural San Jaime de Alquerías del Niño Perdido, Sociedad Cooperativa de Crédito	0.39	0.39
Caja Rural de Cheste, Sociedad Cooperativa de Crédito	0.34	0.34
Caja Rural San José de Nules, Sociedad Cooperativa de Crédito	0.30	0.30
Caja Rural de Alginet, Sociedad Cooperativa de Crédito	0.25	0.25
Caixa Rural de Turis, Cooperativa de Crédito Valenciana	0.23	0.23
Caja Rural Sant Vicente Ferrer de la Vall D'Uixo	0.23	0.23
Caja Rural de Villar, Sociedad Cooperativa de Crédito	0.21	0.21
Caja Rural San José Vilavella, Sociedad Cooperativa de Crédito	0.15	0.15
Caja Rural San Roque de Almenara, Sociedad Cooperativa de Crédito	0.11	0.11
Caja Rural San Isidro de Vilafamés, Sociedad Cooperativa de Crédito	0.09	0.09
Caja Rural La Junquera de Chilches, Sociedad Cooperativa de Crédito	0.10	0.10
<sup>(1)</sup> Formerly, Cajas Rurales Unidas, Sociedad Cooperativa de Crédito. Renamed Cajamar in December 2015.		
Shareholders outside of the GCC Group		
	31/12/2023	31/12/2022
Caja Rural de Almendralejo, Sociedad Cooperativa de Crédito	1.56	1.56
Eurocaja Rural, Sociedad Cooperativa de Crédito <sup>(1)</sup>	0.09	0.09
Caja Rural San José de Almassora, S.Coop de Crédito	0.09	0.09
Caixa Rural de Benicarló, S.Coop de Crédito	0.09	0.09
Caixa Rural Vinaros, S. Coop. de Crédito	0.09	0.09
Caixa Rural Les Coves de Vinroma, S.Coop de Crédito	0.05	0.05
Caja Rural de Baena Ntra. Señora de Guadalupe, Sociedad Cooperativa de Crédito		
Andaluza	0.03	0.03
Caja Rural de Nueva Carteya, Sociedad Cooperativa Andaluza de Crédito	0.03	0.03
Caja Rural de Utrera, Sociedad Cooperativa Andaluza de Crédito	0.03	0.03
Caixa Rural La Vall San Isidro Sociedad Cooperativa de Crédito Valenciana	0.001	0.001
Caja Rural de Cañete de las Torres Ntra. Sra. del Campo, Sociedad Cooperativa Andaluza de Crédito	0.03	0.03
Caja Rural Ntra. Madre del Sol, S. Coop. Andaluza de Crédito	0.03	0.03
Caja Rural de Guissona, S. Coop. de Crédito	0.01	0.01
Team & Work 5000, S.L.	2.83	2.83
Crédito Agrícola SGPS, S.A.	0.47	0.47
Garunter Locales, S.L.	0.47	0.47
Pepal 2002, S.L.	0.14	0.14
Acor Sociedad Cooperativa General Agropecuaria	0.19	0.19
Gespater, S.L.	0.28	0.28
Publindal, S.L.	0.43	0.42

Surister del Arroyo, S.L.	0.19	0.19
Grupo Juramenta, S.L.	0.09	0.09
Repalmar, S.L.	0.09	0.09
Frutas de Guadalentín, S.L.	0.28	0.28
Other minority shareholders	0.10	0.10
<sup>(1)</sup> Former Caja Rural of Castilla – La Mancha.		

Any credit cooperative wishing to join the GCC Group must acquire an interest in the share capital of the Parent company. The Members may exercise their dividend and voting rights as shareholders of BCC in proportion to their shareholdings. When they exercise these rights, they must safeguard the GCC Group's interests and take into consideration that their holding in BCC secures their participation in the GCC Group. In addition, as each Member has signed or acceded to the Regulating Agreement, each such Member shareholder delegates to BCC, in its role as the controlling and decision-making entity, all responsibilities in relation to management policies, consolidation of accounts, formulation of business strategy, and ensuring the solvency, liquidity and regulatory compliance of all Members.

Members are required at all times to maintain full ownership of their shares in BCC and any preferential subscription rights they may hold, free of charges and encumbrances and with all relevant dividend and voting rights. Members may only transfer shares in BCC to other Members and/or third parties with the prior consent of BCC. In this event, an adjustment must be agreed and made to the corporate governance rules set out in the Regulating Agreement of the GCC Group based on the new percentage holdings in BCC's share capital. The shareholders that are not Members of the GCC Group may exercise their voting and dividend rights without any restriction.

At the date of this Base Prospectus, all shareholders outside of the GCC Group hold a percentage shareholding representing less than 7.71% of the capital of BCC.

As of 31 December 2023 and 31 December 2022, the shares held by Members in BCC totalled €977 million with the following distribution:

	Thousands of Euros	
	31/12/2023	31/12/2022
Cajamar Caja Rural, Sociedad Cooperativa de Crédito	898,842	898,842
Caixa Rural de Torrent, Cooperativa de Crédito Valenciana	15,981	15,981
Caixa Rural de Altea, Cooperativa de Crédito Valenciana	9,242	9,242
Caja Rural San José de Burriana, Sociedad Cooperativa de Crédito	7,714	7,714
Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana	6,681	6,681
Caja Rural Católico Agraria, Sociedad Cooperativa de Crédito (Caixa Rural Vila-real)	8,040	8,040
Caja Rural de Callosa d'en Sarriá, Sociedad Cooperativa de Crédito	5,556	5,556
Caja Rural San Jaime de Alquerias del Niño Perdido, Sociedad Cooperativa de Crédito	4,124	4,124
Caja Rural de Cheste, Sociedad Cooperativa de Crédito	3,606	3,606
Caja Rural San José de Nules, Sociedad Cooperativa de Crédito	3,155	3,155
Caja Rural de Alginet, Sociedad Cooperativa de Crédito	2,676	2,676
Caixa Rural de Turis, Cooperativa de Crédito Valenciana	2,413	2,413
Caja Rural Sant Vicente Ferrer de la Vall D'Uixo	2,416	2,416
Caja Rural de Villar, Sociedad Cooperativa de Crédito	2,257	2,257
Caja Rural San José Vilavella, Sociedad Cooperativa de Crédito	1,536	1,536
Caja Rural San Roque de Almenara, Sociedad Cooperativa de Crédito	1,147	1,147
Caja Rural San Isidro de Vilafamés, Sociedad Cooperativa de Crédito	948	948
Caja Rural La Junquera de Chilches, Sociedad Cooperativa de Crédito	1,017	1,017
<b>Total</b>	<b>977,349</b>	<b>977,349</b>

## SOLVENCY OF THE GCC GROUP

Contributions to the capital of Cajamar amounted to €3,356 million as of 31 December 2023, compared to €3,252 million as of 31 December 2022. Cooperative capital of the other 17 credit cooperatives of the GCC Group amounted to €96 million as of 31 December 2023, compared to €94 million as of 31 December 2022.

	Thousands of Euros	
	31/12/2023	31/12/2022
<b>Capital</b>	<b>1,059,028</b>	<b>1,059,028</b>
<b>Parent's reserves</b>	<b>31,963</b>	<b>27,084</b>
<b>Equity of the Group's cooperatives subject to solvency commitment</b>	<b>3,823,410</b>	<b>3,683,032</b>
<b>Equity of Cajamar Caja Rural subject to solvency commitment</b>	<b>3,533,547</b>	<b>3,398,080</b>
Contributions to the capital/share capital of Cajamar Caja Rural	3,355,597	3,251,583
Reserves of Cajamar Caja Rural	177,979	146,526
Less: Treasury shares	(29)	(29)
<b>Equity of the rest of the Group's coops. subject to solvency commitment</b>	<b>289,863</b>	<b>284,952</b>
Capital/Share capital contributions to the rest of the Group's cooperatives	95,858	93,563
Reserves of the rest of cooperative societies	194,033	191,417
Less: Treasury shares	(28)	(28)
<b>Reserves generated during the consolidation process</b>	<b>(17,632)</b>	<b>(33,842)</b>
<b>Other Consolidated Group Reserves</b>	<b>(3,571)</b>	<b>(3,594)</b>
<b>Reserves of entities accounted for using the equity method</b>	<b>29,241</b>	<b>31,623</b>
<b>Parent's shares (-)</b>	<b>(977,349)</b>	<b>(977,349)</b>
<b>Profit or loss attributable to the Parent</b>	<b>126,947</b>	<b>75,737</b>
<b>Dividends (-)</b>	<b>(26,691)</b>	<b>(11,137)</b>
<b>Interim dividends (-)</b>	<b>(1,852)</b>	<b>(816)</b>
<b>Items that may be reclassified to profit or loss</b>	<b>(34,288)</b>	<b>(62,419)</b>
<b>Items that may not be reclassified to profit or loss</b>	<b>(447)</b>	<b>(3,071)</b>
<b>Total equity</b>	<b>4,008,759</b>	<b>3,784,275</b>

Due to the authorisation received in June 2014 from the Bank of Spain recognising the GCC Group as an IPS, the obligation of Members of the GCC Group to comply on an individual basis with the application of the requirements set out in Parts Two to Eight of the CRR has been waived in accordance with Article 10 of CRR. This exemption applies to BCC and to each of the other 18 Members of the GCC Group. Consequently, the GCC Group only has to comply with the minimum capital requirements previously defined on a consolidated basis.

Eligible equity and capital requirements for the GCC Group as of 31 December 2023 and 2022 are as follows:

	Thousands of Euros	
	31/12/2023	31/12/2022
<b>Eligible own funds</b>	<b>4,068,402</b>	<b>3,960,730</b>
CET 1 Capital	3,468,433	3,360,810
Common Equity Tier 1 items and instruments	3,997,428	3,840,988
<i>Share capital</i>	3,533,078	3,426,768
<i>Accumulated reserves</i>	464,350	414,220
Deductions	(528,995)	(480,178)
<b>TIER 2 Capital</b>	<b>599,969</b>	<b>599,920</b>
<b>Pillar I capital adequacy requirements</b>	<b>2,034,013</b>	<b>1,990,891</b>
Credit Risk	1,860,782	1,835,458
Operative Risk	151,634	128,629
CVA	18,564	23,003
Securitisations	3,033	3,801
<b>Capital adequacy Ratio</b>	<b>16.00%</b>	<b>15.92%</b>
<b>CET 1 ratio</b>	<b>13.64%</b>	<b>13.50%</b>

On 1 December 2023, BCC announced through an inside information notice (*comunicación de información privilegiada*) that it had received from the ECB the capital prudential requirements applicable to the financial year 2024 based on the results of the latest SREP. The ECB required the GCC Group to maintain, on a

consolidated basis from 1 January 2024, the same prudential requirements that had been required to that date, consisting of a phased-in Total Capital ratio of 13%, enforceable from that same date, including the minimum Pillar 1 requirement of 8%, the Pillar 2 requirement of 2.50% and a capital conservation buffer of 2.50%. These requirements require the maintenance of a phased-in CET1 ratio of 8.41%, which includes the minimum required by Pillar 1 (4.50%), the requirements of Pillar 2 (1.41%) and the capital conservation buffer (2.50%). The current capital ratios of the GCC Group are above the requirements that are applicable from 1 January 2024.

## KEY FINANCIAL AND BUSINESS INFORMATION

A summary of certain key consolidated financial and other information relating to the GCC Group for the year ended 31 December 2023 compared to 31 December 2022 is shown below:

	Year on year			
	31/12/2023	31/12/2022	Change	%
	(Thousands of euros, except for percentages)			
Consolidated Income				
Net Interest Income	1,063,571	702,878	360,693	51.32%
Gross Income or Loss	1,331,216	1,069,884	261,332	24.43%
Net Income before provisions	678,764	467,178	211,586	45.29%
Profit or loss before tax from continuing operations	142,316	68,960	73,356	106.37%
Profit for the period	126,947	75,737	51,210	67.62%

<sup>20</sup> Phased-in figures.

	31/12/2023	31/12/2022	Year on year	
			Change	%
ROA (%)	0.21%	0.12%	0.08	
RORWA (%)	0.50%	0.30%	0.20	
ROE (%)	3.26%	2.05%	1.21	
Cost-income ratio (%)	49.01%	56.33%	(7.32)	

#### Other data

Cooperative members	1,706,159	1,659,650	46,509	2.80%
Employees <sup>(*)</sup>	5,176	5,213	(37)	(0.71)%
Branches	1,002	843	159	18.86 %

(\*) Employees of BCC and cooperative banks of the GCC Group (not including subsidiaries that are not credit entities)

A summary of the consolidated balance sheet as of 31 December 2023 compared to 31 December 2022 for the GCC Group is shown below:

			Year on year	
	31/12/2023	31/12/2022	Change	%
	(Thousands of euros, except for percentages)			
Consolidated Balance Sheet				
Cash, cash balances at central banks and other demand deposits	3,670,850	3,512,778	158,072	4.50%
Financial assets held for trading	814	2,057	(1,243)	(60.43)%
Non-trading financial assets mandatorily at fair value through profit or loss	484,391	469,837	14,554	3.10%
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income	886,057	1,658,702	(772,645)	(46.58)%
Financial assets at amortised cost	49,281,999	50,371,498	1,089,499	(2.16)%
Of which: Loans and advances	37,098,193	36,396,826	701,367	1.93%
Of which: Debt securities investments	12,183,806	13,974,672	(1,790,866)	(12.82)%
Derivatives-Hedge Accounting	2,957,536	3,238,076	(280,540)	(8.66)%
Investments in joint ventures and associates	87,814	85,185	2,629	3.09%
Tangible assets	888,907	895,277	(6,370)	(0.71) %
Intangible assets	264,321	211,444	52,877	25.01%
Tax assets	1,157,808	1,161,231	(3,423)	(0.29)%
Other assets	381,703	594,796	(213,093)	(35.83)%
Non-current assets and disposal groups of assets classified as held-for-sale	94,242	114,816	(20,574)	(17.92)%
TOTAL ASSETS	60,156,442	62,315,697	(2,159,255)	(3.47)%
Financial liabilities held for trading	751	2,021	(1,270)	(62.84)%
Financial liabilities at amortised cost	55,239,173	57,696,253	(2,457,080)	(4.26)%
Derivatives-Hedge Accounting	141,993	146,774	(4,781)	(3.26)%
Provisions	78,480	80,092	(1,612)	(2.01)%
Tax liabilities	84,239	76,363	7,876	10.31%
Other liabilities	603,047	529,919	73,128	13.80%
TOTAL LIABILITIES	56,147,683	58,531,422	(2,383,739)	(4.07)%
Equity	4,043,494	3,849,766	193,728	5.03%
Accumulated other comprehensive income	(34,735)	(65,491)	30,756	(46.96)%
TOTAL EQUITY	4,008,759	3,784,275	224,484	5.93%
TOTAL EQUITY AND LIABILITIES	60,156,442	62,315,697	(2,159,255)	(3.47)%

## CAPITAL REMUNERATION

Regarding BCC dividends, the breakdown of dividends accrued in 2023 for a total amount of €34,000 thousand correspond to an interim dividend against 2023 earnings (€24,000 thousand) and a supplementary interim dividend against 2023's results (€10,000 thousand) paid on 29 May 2024.

Regarding remuneration on capital contributions, in the first half of 2023, the Group's Rural Saving Banks settled interest accrued in the second half of 2022 amounting to €11,790 thousand and interest accrued in 2023 amounting

to €26,691 thousand. As of 31 December 2023 interest was accrued on capital contributions amounting to €27,730 thousand which will be settled in the first half of 2024.

## ALTERNATIVE PERFORMANCE MEASURES

BCC considers the following metrics to constitute Alternative Performance Measures as defined in the European Securities and Markets Authority Guidelines introduced on 3 July 2016 on Alternative Performance Measures that are not audited and are not required by, or presented in accordance with, IFRS-EU.

BCC considers that these metrics provide useful information for investors, securities analysts and other interested parties in order to better understand the underlying business, the financial position, cash flows and the results of operations of the GCC Group. Such measures should, however, not be considered as a substitute to profit or loss attributable to BCC or any other performance measures derived in accordance with IFRS-EU or as an alternative to cash flow from operating, investing and financing activities as a measure of BCC's liquidity.

Other companies in the industry may calculate similarly titled measures differently, such that disclosure of similarly titled measures by other companies may not be comparable with that of BCC and the GCC Group. In addition, these measures are not comparable to similarly titled measures contained in the notes to BCC's audited consolidated annual accounts. Investors are advised to review these alternative performance measures in conjunction with BCC's audited consolidated annual accounts and accompanying notes which are incorporated by reference in this Base Prospectus.

(IN ALPHABETICAL ORDER)		
	Measure	Definition and calculation
1	Average Total Assets (ATAs)	Average of the end-of quarter figures since the previous December (inclusive).
2	Branches	Total branches reported to Bank of Spain (includes part-time branches, or "ventanillas" and excludes financial agencies)
3	Business gap	Difference between the denominator and numerator of the Loan to deposits ratio
4	Cooperative members	Owners of at least one contribution to the equity capital of the credit cooperatives (both companies and individuals).
5	Cost of Risk (%)	<p>Total impairment losses annualized / Average Gross Loans and REOs</p> <p>The Issuer has modified the methodology to calculate the Average Gross REOs (a component Average Gross Loans and REOs) in the annual accounts as of and for the year ended 31 December 2023 as follows:</p> <ul style="list-style-type: none"> <li>- The gross exposure of the Bank to a certain asset is now calculated using its Gross Book Value when such asset is recorded instead of its Gross Acquisition Cost. The previous criterion provisioned 100% of the amount of the loan not covered by the value of the asset and, as a result of the change, the exposure of the Bank net of provisions does not vary, but the gross exposure and the coverage is reduced. The reason for this change is to align the methodology with the one used by peers and to show figures more easily reconciled with the audited annual accounts.</li> <li>- Awarded real estate assets are excluded because they must be valued as real estate investments according to articles 175 and 176 of Annex IX of Circular 4/2017, such as certain leased assets and real estate</li> </ul>

		developments. The reason for this change is to show figures more easily reconciled with the audited annual accounts.
6	Cost-income ratio (%)	Operating Expenses / Gross income or loss
7	Customer funds under management	Customers' deposits + Off-balance sheet funds
8	Customers' deposits	Sight deposits + Term deposits
9	Customers' spread (%)	Calculated as the difference between the Average revenue of loans to customers gross and the Average cost of customer deposits (sight deposits and term deposits)
10	Debt securities from customers	Portfolio of senior debt securities of big enterprises.
11	Employees	SIP's total employees, excluding temporary and pre-retired employees
12	Foreclosed assets (gross)	REOs excluding RE investments.
13	Foreclosed assets (net)	Foreclosed assets (gross) – Total foreclosed assets coverage
14	Foreclosed assets coverage ratio (%)	Foreclosed assets coverage / Foreclosed assets (gross)
15	Foreclosed assets ratio (%)	Foreclosed assets net / (Foreclosed assets net + Gross Loans)
16	Funds under management	Total balance-sheet funds (On-balance sheet retail funds + Wholesale funds) + Off-balance-sheet funds
17	Gain (losses) on financial transactions	Gain or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net  + Gain or losses on financial assets and liabilities held for trading, net  + Gain or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net  + Gain or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net  + Gain or losses from hedge accounting, net
18	Gross income without gains (losses) on financial transactions	Gross income – Gains (losses) on financial transactions
19	Gross Loans	Loans to customers (gross) + Other loans (monetary market transactions through counterparties) + Debt securities from customers
20	Gross loans coverage	Impairment losses on loans and customer prepayment + Impairment losses for other financial assets + Impairment adjustments on deposits at credit institutions
21	Impairment losses	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes + Impairment or (-) reversal of impairment on non-financial assets + Impairment or (-) reversal of impairment of investments in joint ventures or associates (net)



22	Loans to customers (gross)	Loans and advances to customers - Other loans (monetary market transactions through counterparties) + Financial assets designated at fair value through profit or loss - Loans and advances - Impairment losses on loans and customer prepayments - Impairment losses for other financial assets
23	Loan to deposits ratio (LTD) (%)	Loans to customers / Deposits
24	MREL ratio (%)	Own funds and eligible liabilities / Risk Weighted Assets
25	Net Interest Income o/ATA (%)	Net interest income / Average total assets
26	Net NPA ratio (%)	(Non-performing loans – Gross Loans Coverage + Foreclosed assets net) / (Gross loans – Gross Loans Coverage + Foreclosed assets net)
27	Net non-performing loans (NPL)	Non-performing loans – Gross Loans Coverage
28	Net NPL ratio (%)	(Non-performing loans – Gross Loans Coverage + Non-performing contingent risks – Coverage of contingent risks) / (Gross loans – Gross Loans Coverage + Contingent risks – Coverage of contingent risks)
29	Non-performing assets (NPA)	Non-performing loans + Foreclosed assets (gross)
30	Non-performing total risks	Non-performing loans + non-performing contingent risks
31	NPA coverage ratio (%)	(Gross loans coverage + Foreclosed assets coverage) / (Non-performing loans + Foreclosed assets (gross))
32	NPA ratio (gross) (%)	(Non-performing loans + Foreclosed assets gross) / (Gross loans + Foreclosed assets gross)
33	NPL coverage ratio (%)	Gross loans coverage / Non-performing loans
34	NPL ratio (%)	(Non-performing loans + non-performing contingent risks) / (Gross loans + contingent risks)
35	Off-balance sheet funds	Mutual funds + Pension plans + Saving insurance + Fixed-equity income held by customers
36	On-balance sheet retail funds	Sight deposits + Term deposits+ Other funds
37	Operating expenses	Staff expenses + Other administrative expenses + Depreciation and Amortisation
38	Performing Loans	Gross loans – Non-performing loans
39	Performing Loans to customers	Loans to customers (gross) – Non-performing loans
40	Recurring cost-income ratio (%)	Operating expenses / Recurring gross income
41	Recurring gross income	Gross income - Extraordinary results included in Gains (losses) on financial transactions - Mandatory transfers to the Education and Development Fund included in Other operating income/expenses
42	Recurring net income before provisions	Recurring Gross Income – Operating Expenses
43	REOs	Foreclosed assets + Real Estate Investments

44	ROA (%)	Annualisation of the following quotient: Profit for the period / Average total assets (average of the end-of-quarter figures since the previous December, inclusive)
45	ROE (%)	Annualisation of the following quotient: Profit for the period / Average total equity (average of the end-of-quarter figures since the previous December, inclusive)
46	RORWA (%)	Annualisation of the following quotient: Profit for the period / Average risk-weighted assets (average of the end-of-quarter figures since the previous December, inclusive)
47	Texas ratio (%)	(Non-performing total risks (including non-performing loans from credit institutions) + gross REOs) / (Total risks coverage + REOs coverage + Total Equity).
48	Total balance sheet funds	On-balance sheet retail funds + Wholesale funding
49	Total impairment losses annualized	Annualisation of: (The part of Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes corresponding to financial assets at amortised cost + Impairment or (-) reversal of impairment on non-financial assets (excluded the impairment of goodwill) + Impairment losses on non-current assets held for sale).
50	Total lending	Gross loans – Credit losses and impairment
51	Total risks	Gross loans + Contingent risks
52	Wholesale funds	Bonds and other securities + Subordinated liabilities + Central counterparty deposits + Deposits from credit institutions + Deposits from Central Banks

Where applicable, reconciliation of the relevant figures as of and for the year ended 31 December 2023 and 2022 are provided below

(EUR Thousand)	31/12/2023		31/12/2022	
	31/12/2022	62,315,697	31/12/2021	58,513,026
	31/03/2023	59,666,236	31/03/2022	59,666,236
	30/06/2023	61,975,200	30/06/2022	62,292,023
	30/09/2023	60,965,266	30/09/2022	63,273,138
	31/12/2023	60,156,442	31/12/2022	62,315,697
<b>Average total assets (ATAs)</b>	-	<b>61,015,768</b>	-	<b>61,212,024</b>

(EUR Thousand)	31/12/2023		31/12/2022	
	31/12/2022	3,784,275	31/12/2021	3,578,807
	31/03/2023	3,848,159	31/03/2022	3,649,959
	30/06/2023	3,910,693	30/06/2022	3,688,851
	30/09/2023	3,939,258	30/09/2022	3,737,650
	31/12/2023	4,008,759	31/12/2022	3,784,275
<b>Average total equity</b>	-	<b>3,898,229</b>	-	<b>3,687,908</b>

(EUR Thousand)	31/12/2023		31/12/2022	
	31/12/2022	24,883,122	31/12/2021	24,813,847

	31/03/2023	24,902,506	31/03/2022	24,852,638
	30/06/2023	25,349,114	30/06/2022	24,708,512
	30/09/2023	25,375,217	30/09/2022	25,018,979
	31/12/2023	25,425,162	31/12/2022	24,883,122
<b>Average risk weighted assets</b>	-	<b>25,187,024</b>	-	<b>24,855,420</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Numerator of LTD ratio (1)	36,490,575	-
Denominator of LTD ratio (2)	44,203,323	-
<b>Business gap = (2) – (1)</b>	<b>7,712,748</b>	<b>-</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Impairment (1)	<b>428,817</b>	<b>-</b>
<b>Average Gross loans and Gross REOs - (2) = (3) + (4)</b>	<b>38,617,143</b>	<b>37,648,567</b>

	31/12/2022	38,544,462	31/12/2021	36,893,387
	31/03/2023	38,317,266	31/03/2022	37,086,386
	30/06/2023	38,262,505	30/06/2022	37,899,409
	30/09/2023	38,426,522	30/09/2022	37,819,191
	31/12/2023	38,531,963	31/12/2022	38,544,460

<b>Average Gross loans (3)</b>	-	<b>37,722,104</b>	-	<b>36,477,960</b>
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	31/12/2022	37,556,636	31/12/2021	35,584,965
	31/03/2023	37,363,880	31/03/2022	35,848,622
	30/06/2023	38,361,953	30/06/2022	36,721,981
	30/09/2023	37,566,962	30/09/2022	36,677,596
	31/12/2023	37,761,091	31/12/2022	37,556,634

<b>Average Gross REOs (4)</b>	-	<b>895,039</b>	-	<b>1,170,607</b>
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	31/12/2022	987,826	31/12/2021	1,308,422
	31/03/2023	953,386	31/03/2022	1,237,764
	30/06/2023	900,552	30/06/2022	1,177,428
	30/09/2023	862,560	30/09/2022	1,141,595
	31/12/2023	770,872	31/12/2022	987,826

<b>Cost of risk (%) = (1)/(2)</b>	-	<b>1.11%</b>	-	<b>1.40%</b>
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<b>(EUR Thousand)</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Operating expenses (1)	652,452	-
Gross income or loss (2)	1,331,216	-
<b>Cost-income ratio (%) = (1)/(2)</b>	<b>49.01%</b>	<b>-</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Customers' deposits (1)	43,489,930	-
Off balance sheet funds (2)	8,235,073	-
<b>Customer funds under management = (1) + (2)</b>	<b>51,725,003</b>	<b>-</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Sight deposits (1)	35,857,418	-

Term deposits (2)	7,632,512	-	3,475,469
<b>Customers' deposits = (1) + (2)<sup>21</sup></b>	<b>43,489,930</b>	<b>-</b>	<b>40,249,522</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
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<b>Average revenue of loans to customers gross (1) = (a) / (b)</b>	<b>3.44%</b>	<b>-</b>	<b>1.68%</b>
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<b>Revenue (a)</b>	<b>1,265,133</b>		<b>602,954</b>
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<b>Average loans to customers (gross) (b)</b>	<b>36,798,794</b>		<b>35,928,909</b>
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31/12/2022	36,949,821	31/12/2021	35,093,724
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31/03/2023	35,352,056	31/03/2022	35,352,056
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30/06/2023	37,714,383	30/06/2022	36,195,887
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30/09/2023	36,910,792	30/09/2022	36,130,901
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31/12/2023	37,066,919	31/12/2022	36,871,979
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<b>Average cost of customer deposits (sight deposits and term deposits) (2) = (c)/(d)</b>	<b>0.72%</b>		<b>0.03%</b>
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<b>Cost (c)</b>	<b>301,247</b>		<b>12,830</b>
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<b>Average customer deposits (d)</b>	<b>41,965,646</b>		<b>40,193,998</b>
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31/12/2022	40,249,522	31/12/2021	38,740,365
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31/03/2023	41,027,601	31/03/2022	39,952,656
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30/06/2023	42,234,574	30/06/2022	41,176,229
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30/09/2023	42,826,605	30/09/2022	40,851,217
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31/12/2023	43,489,930	31/12/2022	40,249,522
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<b>Customers' spread (%) = (1) - (2)</b>	<b>2.72%</b>	<b>-</b>	<b>1.65%</b>
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<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
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<b>Debt securities from customers</b>	<b>694,172</b>	<b>-</b>	<b>606,815</b>
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<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
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Foreclosed assets coverage (1)	445,804	-	908,839
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Foreclosed assets (gross) (2)	770,872	-	1,482,216
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<b>Foreclosed assets coverage ratio (%) = (1)/(2)</b>	<b>57.83%</b>	<b>-</b>	<b>61.32%</b>
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<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
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<b>REOs (1)</b>	<b>852,893</b>	<b>-</b>	<b>1,642,050</b>
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<b>RE Investments (2)</b>	<b>82,021</b>	<b>-</b>	<b>159,834</b>
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<b>Foreclosed assets (gross) = (1) - (2)</b>	<b>770,872</b>	<b>-</b>	<b>1,482,216</b>
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<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
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<sup>21</sup> Includes valuation adjustments and other accounts.

<b>Foreclosed assets (gross) (1)</b>	770,872	-	1,482,216
<b>Total foreclosed coverage (2)</b>	445,804	-	908,839
<b>Foreclosed assets (net) = (1) - (2)</b>	<b>325,069</b>	-	<b>573,377</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Gain or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (1)	(13,275)	-	34,373
Gain or losses on financial assets and liabilities held for trading, net (2)	123	-	(108)
Gain or losses from hedge accounting, net (3)	(110)	-	511
Gain or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net (4)	11,524	-	67,144
<b>Gains (losses) on financial transactions (1) + (2) + (3) + (4)</b>	<b>(1,738)</b>	-	<b>101,920</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Customers' deposits (1) <sup>22</sup>	43,489,930	-	40,249,522
Other funds (2)	0	-	0
<b>On-balance sheet retail funds (a) = (1) + (2)</b>	<b>43,489,930</b>	-	<b>40,249,522</b>
<b>Wholesale funds (b)</b>	<b>8,370,504</b>	-	<b>13,735,096</b>
Mutual funds (3)	5,634,771	-	4,368,698
Pension plans (4)	942,102	-	905,533
Savings insurances (5)	470,681	-	519,793
Fixed-equity income (6)	1,187,519	-	651,692
<b>Off-balance sheet funds (c) = (3) + (4) + (5) + (6)</b>	<b>8,235,073</b>	-	<b>6,445,716</b>
<b>Funds under management = (a) + (b) + (c)</b>	<b>60,095,506</b>	-	<b>60,430,334</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Gross income or loss (1)	1,331,216	-	1,069,884
Gains (losses) on financial transactions (2)	(1,738)	-	101,920
<b>Gross income without gains (losses) on financial transactions (1) - (2)</b>	<b>1,332,954</b>	-	<b>967,964</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Loans to customers (gross) (1)	37,066,918	-	36,949,821
Other loans (monetary market transactions through counterparties) (2)	0	-	0
Debt securities from customers (3)	694,172	-	606,815
<b>Gross loans = (1) + (2) + (3)</b>	<b>37,761,091</b>	-	<b>37,556,636</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Impairment or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at	(258,337)	-	(218,511)

<sup>22</sup> Includes valuation adjustments and other accounts.

fair value through profit or loss and net gains or (-) losses on changes (1)

Impairment or (-) reversal of impairment on non-financial assets (2)	(151,581)	-	(104,806)
Impairment or reversal of impairment of investments in joint ventures or associates (net) (3)	0	-	0
<b>Impairment losses (1) + (2) + (3)</b>	<b>(409,918)</b>		<b>(323,317)</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Loans and advances to customers (1)	36,050,437		35,828,633
Other loans (monetary market transactions through counterparties) (2)	0		0
Financial assets designated at fair value through profit or loss - Loans and advances (3)	440,139		427,525
Impairment losses on loans and customer prepayments (4)	(575,753)		(693,240)
Impairment losses for other financial assets (5)	(590)		(423)
<b>Loans to customers (gross) = (1) - (2) + (3) - (4) - (5)</b>	<b>37,066,918</b>		<b>36,949,821</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
<b>Loans to customers (1) = (a) + (b)</b>	<b>36,490,575</b>		<b>36,256,158</b>
Loans and advances to customers (a)	36,050,436		35,828,633
Non-trading financial assets mandatorily at fair value through profit or loss (b)	440,139		427,525
<b>Deposits (2) = (3) + (4) + (5) + (6) + (7) + (8) + (9)</b>	<b>44,203,323</b>		<b>41,166,899</b>
Customers' deposits (3) <sup>23</sup>	43,489,930		40,249,522
Retail commercial paper (4)	0		0
Retail subordinated debt (5)	0		0
Repo with clients (6)	0		0
Other retail funding (7)	0		0
Shares issued (net issued securitisations) (8)	230,397		355,213
I.C.O., I.E.B., E.I.F. LOANS (9)	482,996		562,164
<b>LTD (loan to deposits) ratio (%) = (1)/(2)</b>	<b>82.55%</b>		<b>88.07%</b>

(EUR Thousand)	31/12/2023		31/12/2022		
Net interest income (1)	1,063,571		-		702,878
Average total assets (2)	61,015,768		-		61,212,024
	31/12/2022	62,315,697	31/12/2021	58,513,026	
	31/03/2023	59,666,236	31/03/2022	59,666,236	
	30/06/2023	61,975,200	30/06/2022	62,292,023	
	30/09/2023	60,965,266	30/09/2022	63,273,138	
	31/12/2023	60,156,442	31/12/2022	62,315,697	
Net Interest Income o/ATA = (1) / (2)	1.74%		-		1.15%

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Non-performing loans (1)	778,672		1,013,879
Gross loans coverage (2)	576,343		693,663

<sup>23</sup> Includes valuation adjustments and other accounts.

Net foreclosed assets (3)	325,069	573,377
<b>Net non performing assets (1) - (2) + (3)</b>	<b>527,397</b>	<b>893,593</b>

(EUR Thousand)	31/12/2023	31/12/2022
Non-performing loans (1)	778,672	1,013,879
Gross loans coverage (2)	576,343	693,663
Foreclosed assets (net) (3)	325,069	573,377
Gross loans (4)	37,761,091	37,556,636
Gross loans coverage (5)	576,343	693,663
<b>Net NPA ratio (%) (1) - (2) + (3) / (4) - (5) + (3)</b>	<b>1.41%</b>	<b>2.4%</b>

(EUR Thousand)	31/12/2023	31/12/2022
Non-performing loans (1)	778,672	1,013,879
Gross loans coverage (2)	576,343	693,663
<b>Net non performing loans (1) - (2)</b>	<b>202,329</b>	<b>320,216</b>

(EUR Thousand)	31/12/2023	31/12/2022
Non-performing loans (1)	778,672	1,013,879
Gross loans coverage (2)	576,343	693,663
Non performing contingent risks (3)	4,995	4,959
Contingent risks impairment (4)	6,375	5,409
Gross loans (5)	37,761,091	37,556,636
Contingent risks (6)	1,258,484	1,100,839
<b>Net NPL ratio (%) (1) - (2) + (3) - (4) / (5) - (2) + (6) - (4)</b>	<b>0.52%</b>	<b>0.84%</b>

(EUR Thousand)	31/12/2023	31/12/2022
Non performing loans (1)	778,672	1,013,879
Gross foreclosed assets (2)	770,872	1,482,216
<b>Non performing assets (NPA) (1) + (2)</b>	<b>1,549,544</b>	<b>2,496,095</b>

(EUR Thousand)	31/12/2023	31/12/2022
Doubtful assets within loans and advances (1)	778,278	1,013,625
Other non performing assets (2)	394	254
<b>Non performing loans (1) + (2)</b>	<b>778,672</b>	<b>1,013,879</b>

(EUR Thousand)	31/12/2023	31/12/2022
Impairment losses on loans and customer prepayments (1)	575,753	693,240
Impairment losses for other financial assets (2)	590	423
Impairment adjustments on deposits at credit institutions (3)	0	0
<b>Gross loans coverage = (1) + (2) + (3)</b>	<b>576,343</b>	<b>693,663</b>

(EUR Thousand)	31/12/2023	31/12/2022
Non performing loans (1)	778,672	1,013,879

Non performing contingent risks (2)	4,995	-	4,959
<b>Non performing total risks (1) + (2)</b>	<b>783,667</b>	<b>-</b>	<b>1,018,838</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Gross loans coverage (1)	576,343	-	693,663
Foreclosed assets coverage (2)	445,804	-	908,839
<b>NPA coverage (1) + (2)</b>	<b>1,022,147</b>	<b>-</b>	<b>1,602,502</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Non performing Loans (1)	778,672	-	1,013,879
Foreclosed assets (gross) (2)	770,872	-	1,482,216
Gross loans coverage (3)	576,343	-	693,663
Foreclosed assets coverage (4)	445,804	-	908,839
<b>NPA coverage ratio (%) = ((3)+(4))/((1)+(2))</b>	<b>65.96%</b>	<b>-</b>	<b>64.20%</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Non performing Loans (1)	778,672	-	1,013,879
Gross foreclosed assets (2)	770,872	-	1,482,216
Gross loans (3)	37,761,091	-	37,556,636
<b>NPA ratio (gross) (%) = ((1)+(2))/((3)+(2))</b>	<b>4.02%</b>	<b>-</b>	<b>6.39%</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Non performing Loans (1)	778,672	-	1,013,879
Gross loans coverage (2)	576,343	-	693,663
<b>NPL coverage ratio (%) = (2) / (1)</b>	<b>74.02%</b>	<b>-</b>	<b>68.42%</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Non performing Loans (1)	778,672	-	1,013,879
Non performing contingent risks (2)	4,995	-	4,959
Gross loans (3)	37,761,091	-	37,556,636
Contingent risks (4)	1,258,484	-	1,100,839
<b>NPL ratio (%) = ((1) + (2)) / ((3) + (4))</b>	<b>2.01%</b>	<b>-</b>	<b>2.64%</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Mutual funds (1)	5,634,771	-	4,368,698
Pension plans (2)	942,102	-	905,533
Savings insurances (3)	470,681	-	519,793
Fixed-equity income (4)	1,187,519	-	651,692



<b>Off balance sheet funds = (1) + (2) + (3) + (4)</b>	<b>8,235,073</b>	<b>-</b>	<b>6,445,716</b>
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<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Sight deposits (1)	35,857,418	-	36,774,053
Term deposits (2)	7,632,512	-	3,475,469
Other funds (3)	0	-	0
<b>On-balance sheet retail funds = (1) + (2) + (3)<sup>24</sup></b>	<b>43,489,930</b>	<b>-</b>	<b>40,249,522</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Staff expenses (1)	370,046	-	349,123
Other administrative expenses (2)	207,890	-	182,714
Depreciation and amortisation (3)	74,516	--	70,869
<b>Operating expenses = (1) + (2) + (3)</b>	<b>652,452</b>	<b>-</b>	<b>602,706</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Gross loans (1)	37,761,091	-	37,556,636
Non performing loans (2)	778,672	-	1,013,879
<b>Performing loans = (1) - (2)</b>	<b>38,539,763</b>	<b>-</b>	<b>36,542,757</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Loans to customers (gross) (1)	37,066,918	-	36,949,821
Non performing loans (2)	778,672	-	1,013,879
<b>Performing loans to customers = (1) - (2)</b>	<b>36,288,246</b>	<b>-</b>	<b>35,935,942</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Administrative expenses (1)	577,936	-	531,837
Depreciation and amortisation (2)	74,516	-	70,869
Recurring gross income (3)	1,350,585	-	1,027,202
<b>Recurring Cost-income ratio (%) = ((1)+(2))/(3)</b>	<b>48,31%</b>	<b>-</b>	<b>58.67%</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Gross income or loss (1)	1,331,216	-	1,069,884
Extraordinary results included in Gains (losses) on financial transactions (2)	(10,275)	-	46,833
Mandatory contributions assigned to social projects (savings banks and credit co-operatives) (3)	(9,094)	-	(4,151)
<b>Recurring Gross income = (1)-(2)-(3)</b>	<b>1,350,585</b>	<b>-</b>	<b>1,027,202</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Recurring Gross income (1)	1,350,585	-	1,027,202
Operating expenses (2)	652,452	-	602,706
<b>Recurring net income before provisions = (1)-(2)</b>	<b>698,133</b>	<b>-</b>	<b>424,496</b>

<sup>24</sup> Includes valuation adjustments and other accounts.

(EUR Thousand)	31/12/2023		31/12/2022	
Profit for the period (1)	126,947		75,737	
Average total assets (2)	61,015,768		61,212,024	
	31/12/2022	62,315,697	31/12/2021	58,513,026
	31/03/2023	59,666,236	31/03/2022	59,666,236
	30/06/2023	61,975,200	30/06/2022	62,292,023
	30/09/2023	60,965,266	30/09/2022	63,273,138
	31/12/2023	60,156,442	31/12/2022	62,315,697
ROA (%) = (1) / (2)	0.21%		0.12%	

(EUR Thousand)	31/12/2023	31/12/2022
Profit for the period (1)	126,947	75,737
Average total equity (2)	3,898,229	3,687,908
	31/12/2022	31/12/2021
	3,784,275	3,578,807
	31/03/2023	31/03/2022
	3,848,159	3,649,959
	30/06/2023	30/06/2022
	3,910,693	3,688,851
	30/09/2023	30/09/2022
	3,939,258	3,737,650
	31/12/2023	31/12/2022
	4,008,759	3,784,275
ROE (%) = (1) / (2)	3.26%	2.05%

(EUR Thousand)	31/12/2023		31/12/2022	
Profit for the period (1)	126,947		75,737	
Average risk weighted assets	25,176,903		24,855,420	
	31/12/2022	24,883,122	31/12/2021	24,813,847
	31/03/2023	24,852,638	31/03/2022	24,852,638
	30/06/2023	25,348,375	30/06/2022	24,708,512
	30/09/2023	25,375,217	30/09/2022	25,018,979
	31/12/2023	25,425,162	31/12/2022	24,883,122
RORWA (%) = (1) / (2)	0.50%		0.32%	

(EUR Thousand)	31/12/2023	31/12/2022
<b>Non-performing total risks (1) = (2)+(3)+(4)</b>	<b>783,667</b>	<b>1,018,838</b>
Non performing loans (2)	778,672	1,013,879
Non performing loans to financial institutions (3)	0	0
Doubtful contingent risks (4)	4,995	4,959
<b>REOs (gross) (5)</b>	<b>770,872</b>	<b>1,641,538</b>
<b>Total risks coverage (6) = (7)+(8)+(9)+(10)</b>	<b>592,238</b>	<b>708,180</b>
Gross loans coverage (7)	576,343	693,663
Commitments and guarantees given (8)	10,199	9,003
Coverage for debt securities (9)	5,683	5,507
Coverage for cash balances at central banks and other demand deposits (10)	13	7
<b>REOs coverage (11)</b>	<b>445,804</b>	<b>992,512</b>

<b>Total Equity (12)</b>	<b>4,008,759</b>	<b>-</b>	<b>3,784,275</b>
<b>Texas ratio (1)+(5)/(6)+(11)+(12)</b>	<b>30.80%</b>	<b>-</b>	<b>48.50%</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
On-balance sheet retail funds (1) <sup>25</sup>	43,489,930	-	40,249,522
Wholesale funds (2) <sup>26</sup>	8,370,504	-	13,735,096
<b>Total balance sheet funds = (1)+(2)</b>	<b>51,860,434</b>	<b>-</b>	<b>53,984,618</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Gross loans (1)	37,761,091	-	37,556,636
Credit losses and impairment (2)	576,343	-	693,663
<b>Total lending = (1)-(2)</b>	<b>37,184,748</b>	<b>-</b>	<b>36,862,973</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Gross loans	37,761,091	-	37,556,636
Contingent risks	1,258,484	-	1,100,839
<b>Total risks = (1)+(2)</b>	<b>39,019,575</b>	<b>-</b>	<b>38,657,475</b>

<b>(EUR Thousand)</b>	<b>31/12/2023</b>		<b>31/12/2022</b>
Bonds and other securities	3,029,556	-	1,808,059
Subordinated liabilities	600,619	-	600,451
Central counterparty deposits	0	-	2,548,492
Deposits from central banks	969,302	-	6,639,329
Deposits from credit institutions	3,771,027	-	2,138,765
<b>Wholesale funds<sup>27</sup></b>	<b>8,370,504</b>	<b>-</b>	<b>13,735,096</b>

## LEGAL AND ARBITRATION PROCEEDINGS

The nature of the business of the GCC Group causes it to be involved in routine legal and other proceedings from time to time. As of 31 December 2023, the Group was involved in certain ongoing lawsuits and proceedings arising from the ordinary course of its operations. These proceedings are of a civil or judicial-administrative nature or of a non-judicial administrative nature for amounts that are not material and involve issues that are customary for large financial institutions. None of these proceedings relate to supervisory matters or the regulation of financial entities. Management does not believe that these proceedings, if decided against the GCC Group, would have a significant effect on the business or financial condition of the GCC Group.

Information about the legal and regulatory risks that BCC may be exposed to in the near future can be found in *"The GCC Group is exposed to risk of loss from legal and regulatory claims"* under Risk Factors section.

<sup>25</sup> Includes valuation adjustments and other accounts.

<sup>26</sup> Includes valuation adjustments and deposits from credit institutions.

<sup>27</sup> Includes valuation adjustments and deposits from credit institutions.

## **MATERIAL CONTRACTS**

The rights and obligations of the Members of the GCC Group and the competencies that have been delegated to BCC are governed by the Regulating Agreement as more fully described under "*– Grupo Cooperativo Cajamar*". There are no material contracts entered into other than in the ordinary course of BCC's and the GCC Group's businesses which could result in any Member of the GCC Group being under an obligation or entitlement that is material to the BCC's ability to meet its obligations to Holders in respect of the Securities.

## **CREDIT RATING**

On 29 April 2024, S&P upgraded BCC's rating assigning a long-term credit rating of BB+ and maintaining a short-term credit rating of B, and the outlook was revised from Stable to Positive. On 19 December 2022, DBRS upgraded GCC Group's rating assigning a long-term rating of BBB (low) and the short-term at R-2 (Middle), and the outlook from Positive to Stable.

## DESCRIPTION OF CAJAMAR

### INTRODUCTION

Cajamar is a Member of a group of Spanish financial institutions (all credit cooperatives (*cajas rurales*) other than BCC, the parent company, which is a bank), each of which operates under its own brand but carries out its activities as a cooperative group within an agreed common framework and subject to a set of common rules and policies under the name Grupo Cooperativo Cajamar, the GCC Group, regulated by the Regulating Agreement (see "*Description of BCC and the GCC Group – Grupo Cooperativo Cajamar*").

### Nature of Cajamar

Cajamar is a duly registered credit cooperative company (*sociedad cooperativa de crédito*) incorporated on 16 October 2012 under a public deed executed before Mr. Emilio V. Ors Calabuig, Notary of Valencia, under number 2,050 of his records, registered with the Almería Mercantile Register in Volume 1,526, Folio 1, Page AL-40338, Entry 1 on 31 October 2012 and with the Cooperative Companies Register in Volume LVII, Folio 5757, Entry 1 on 8 November 2012 and was assigned the registration number 2627-SMT. On 19 November 2012, Cajamar was registered with the Register of Credit Institutions and the Special Register of Credit Cooperatives of the Bank of Spain under code number 3058 and has tax ID number F04743175.

Cajamar's registered office is Plaza de Juan del Águila, Molina 5, 04006, Almería, Spain and its contact telephone number is +34 950 210 100. Cajamar has a network of branches and offices through which it develops its corporate purpose.

Cajamar is a Spanish credit cooperative company and is governed by Law 27/1999, of 16 July, on Cooperatives, Law 13/1989, 26 May, on Credit Cooperatives and Royal Decree 84/1993, 22 January, approving the Regulations for the implementation of Law 13/1989, 26 May, on Credit Cooperatives. In addition, according to article 1 of Law 10/2014, 26 June, on the organisation, supervision and solvency of credit institutions ("**Law 10/2014**"), credit cooperatives are considered credit institutions and, consequently, Cajamar is subject to special legislation applicable to credit entities and the supervision, control and regulation of the ECB.

### Incorporation and status of Cajamar

Cajamar started its operations in October 2012 as a result of the merger between Cajamar Caja Rural, Sociedad Cooperativa de Crédito and Caja Rural del Mediterráneo, Ruralcaja, S. Coop. de Crédito. Initially its legal name was Cajas Rurales Unidas, Sociedad Cooperativa de Crédito and it was changed to the current Cajamar Caja Rural, Sociedad Cooperativa de Crédito by virtue of the resolutions adopted by the General Assembly of 10 June 2015, notarised before the Notary of Almería, Mr. Lázaro Salas Gallego, under number 1,614 of his records on 4 December 2015.

As of 31 December 2023, the capital (*capital*) of Cajamar was €3,355,597 thousand (See "*Capital Structure of Cajamar*" below).

According to its bylaws, Cajamar develops its activity indefinitely.

### BUSINESS ACTIVITIES OF CAJAMAR

Cajamar's corporate purpose is to provide financial services to its members and third parties by engaging in the activities typical of credit entities. Such activities include all kinds of asset and liability transactions and banking or para-banking services, as well as the investment and ancillary services that securities market regulations allow credit entities, with preferential attention to the financial needs of its members. Asset transactions with non-members are limited by applicable law.

The aforementioned activities are focused on providing financial services to rural areas in Cajamar's territorial scope of action while promoting and keeping an adequate solvency.

On an individual basis, as of 31 December 2023, Cajamar had total assets (*total activo*) of €51,253 million, compared with €44,117 million on 31 December 2022. Customer loans and credit institutions loans (under loans and advances at amortised cost) (*entidades de crédito y clientela de los activos financieros a coste amortizado*) represented €28,069 million and €1,170 million on 31 December 2023, respectively (compared with €28,117

million and €475 million on 31 December 2022, respectively) and debt securities at fair value of the financial assets at fair value through other comprehensive income (*valores representativos de deuda de los activos financieros a valor razonable con cambios en otro resultado global*) represented €10 million as of 31 December 2023 (compared with €10 million as of 31 December 2022). In terms of Cajamar's liabilities, on 31 December 2023 it held €4,003 million deposits from credit institutions at amortized cost (*depósitos de entidades de crédito de los pasivos financieros a coste amortizado*) (€803 million as of 31 December 2022), €41,481 million customer deposits from other creditors at amortized cost (*depósitos de clientela de los pasivos financieros a coste amortizado*) (€38,404 million as of 31 December 2022) and €1,122 million debt securities issued at amortized cost (*valores representativos de deuda emitidos de los pasivos financieros a coste amortizado*) (€440 million as of 31 December 2022).

The main activity of Cajamar is retail commercial banking, although it also provides private banking services and has increased its marketing activity in respect of insurance, pension plans and investment funds. Cajamar's products are mainly grouped into three basic areas: deposit taking, lending and other products and services. For additional information on the basic business areas at Cajamar please see "*Description of BCC and the GCC Group – Business activities of the GCC Group*".

## DIRECTORS AND MANAGEMENT OF CAJAMAR

Cajamar's decision-making bodies are the General Assembly (*Asamblea General*) and the Board of Governors (*Consejo Rector*).

The General Assembly, validly constituted as an assembly of representatives (*asamblea de delegados*) by Cajamar's members constitutionally entitled to attend the meeting, is the ultimate decision-making authority for Cajamar. Its resolutions, adopted according to the law and its bylaws, are binding upon all members.

The Board of Governors is the collective governing body responsible for the administration, management, oversight and representation of Cajamar, although its executive duties are delegated to the Executive Committee.

As of the date of this Base Prospectus, Cajamar does not have any other board committees apart from the Executive Committee.

The General Assembly of Cajamar held on 17 June 2021 unanimously approved the application of the exception contemplated in letter d) of section 3 of the Third Additional Provision of Law 22/2015, which allows public interest entities not to have an audit committee if they are subsidiaries of another public interest entity that has an audit committee if it assumes the functions of the audit committee of the subsidiary and provided that this exception is unanimously approved by the shareholders of the subsidiary. Therefore, Cajamar does not have its own audit committee, as the functions of this committee have been assumed by the Audit Committee of BCC.

## Composition of the Board of Governors and Executive Committee of Cajamar

At date of this Base Prospectus the Board of Governors of Cajamar has the following composition:

Name of the Director	Current position in the Board of Governors
Mr. Eduardo Baamonde Noche	Chairman
Mr. Francisco Lorente Brox	1 <sup>st</sup> Deputy Chairman
Mr. Jose Luis Heredia Celdrán <sup>(1)</sup>	2 <sup>nd</sup> Deputy Chairman
Ms. María Luisa Trinidad Garcia	Secretary (Member)
Mr. Jesús María Martínez de Salinas Alonso	Member
Mr. Juan Colomina Figueredo	Member
Ms. María Ángeles Pérez Paracuellos	Member
Mr. Bartolomé Viudez Zurano <sup>(1)</sup>	Member
Mr. Enrique Ramón Colilles Cascallar	Member
Mr. Indalecio Miguel Felices González	Director Representing Workers

<sup>(1)</sup> Executive director

The professional address of all the members of the Board of Governors is the same as that of the Cajamar's head offices, located at Plaza de Juan del Águila Molina nº 5, 04006 Almería.

In accordance with article 33 of the bylaws, the Board of Governors may form an Executive Committee from among its members, which as of the date of this Base Prospectus is formed by the following individuals:

<b>Name of the Director</b>	<b>Current position in the Executive Committee</b>
Mr. Eduardo Baamonde Noche	Chairman
Ms. María Luisa Trinidad García	Secretary (Member)
Mr. Francisco Lorente Brox	Member
Mr. Jose Luis Heredia Celdrán	Member
Mr. Bartolomé Viudez Zurano	Member

The bylaws also allow for the appointment of Managing Directors (*Consejeros Delegados*), whose responsibilities may be conferred by the Board of Governors and by the Executive Committee. The territorial, material and financial limits to the role of Managing Directors are set by the Board, within the limits in the bylaws themselves. Currently the Governing Board has not exercised its ability to appoint Managing Directors.

### Senior management

As of the date of this Base Prospectus, Sergio Pérez García (General Manager of Cajamar) is the only member of Cajamar's senior management other than the two executive directors mentioned above. His professional address is the same as the Cajamar's head offices, at Plaza de Juan del Águila Molina nº 5, 04006 Almería.

The other general management responsibilities were transferred to BCC when it became the head of the Group and was conferred with the duties and responsibilities of the relevant departments. Accordingly, all central services and functions are the responsibility of BCC as the head of the Group, under the Regulating Agreement. Please see "*Description of BCC and the GCC Group – Grupo Cooperativo Cajamar*".

The members of the Board of Governors and of the senior management do not engage in significant activities outside Cajamar.

### Conflicts of Interest

Cajamar believes that no conflicts of interest exist between the duties of its Board of Governors and senior management and their private interests or other duties.

## ORGANISATIONAL STRUCTURE

Cajamar is a Member of the GCC Group and, as a result of the terms of the Regulating Agreement, certain responsibilities have been transferred and therefore it is subject to certain common policies and decisions made by BCC for the whole GCC Group. See "*Description of BCC and the GCC Group – Grupo Cooperativo Cajamar*".

The following table shows the stakes of Cajamar in the share capital of other companies as of 31 December 2022:

<b>Company</b>	<b>Address</b>	<b>Activity</b>	<b>% stake</b>
<b><u>Group's entities</u></b>			
Banco de Crédito Social Cooperativo, S.A. <sup>(*)</sup>	Paseo de la Castellana, 87 Madrid.	Cooperative credit bank	84.88%
Alquileres Alameda 34, S.L.U. <sup>(*)</sup>	Paseo Alameda, 34 Valencia.	Real estate development	100.00%
Cajamar Mediación Operador de Banca Seguros Vinculado, S.L.U. <sup>(*)</sup>	Plaza de Juan del Águila Molina, 5. Almería	Insurance brokerage	100.00%
Cimenta2 Gestión e Inversiones, S.A.U. <sup>(*)</sup>	Plaza de Juan del Águila Molina, 5. Almería	Real estate development	100.00%
Inmuebles Alameda 34, S.L.U. <sup>(*)</sup>	Paseo Alameda, 34 Valencia.	Real estate development	100.00%
<b><u>Associated entities</u></b>			
Giesmed Parking, S.L.	Calle Almagro, 3, 5º izquierdo. Madrid	Real estate commercialisation	20.00%

Murcia Emprende S.C.R., S.A. <sup>(*)</sup>	C/Algaro, 1. Murcia	Venture capital investment	22.06%
Parque Científico-Tecnológico de Almería, S.A. <sup>(***)</sup>	Avda. De la Innovación, 15, Edf Pitágoras (PITA). Almería	Commercial space management	30.11%
Promontoria Jaguar, S.A. <sup>(*)</sup>	C/Serrano, 26. Madrid	Holding companies activities	20.00%

<sup>(\*)</sup> Company audited by KPMG Auditores, S.L

<sup>(\*\*)</sup> Company audited by Grant Thornton Corporación, S.L.P.

<sup>(\*\*\*)</sup> Company audited by Deloitte, S.L.

## CAPITAL STRUCTURE OF CAJAMAR

Cajamar's capital (*capital*) as of the date of this Base Prospectus is €3,355,597 thousand and is made up of mandatory contributions of €61 each.

In accordance with Cajamar's bylaws, the total amount of the contributions of each member cannot exceed the legal limits applicable from time to time and is therefore limited for natural and legal persons. At the end of 2023, the largest contribution of a member represented 0.15% of the share capital (0.15% at the end of 2022).

Cajamar's bylaws explicitly state that, applying the cooperative principle of 'one person one vote', as each member has a single vote irrespective of the number of contribution certificates (economic amount) (*títulos de aportaciones del capital social (cuantía económica)*) they hold, and as there were 1.6 million members at 31 December 2023, it is clear that no single member has relevant or significant voting rights.

Further, as the Board of Governors is elected directly through a ballot with a closed list of candidates, there is no possibility within the General Assembly to appoint one or more board members as there is in capital companies (*sociedades de capital*) where a shareholder or multiple shareholders acting as a group are able to do so.

In view of the above, as of the date of this Base Prospectus, Cajamar is not under the control of any natural or legal person nor is it possible that it will be in the future, provided the relevant legislation and its constitutional documents continue to apply on their current terms.

## SOLVENCY OF CAJAMAR

Due to the authorisation received in June 2014 from the Bank of Spain recognising the GCC Group as an IPS, the obligation of Cajamar to comply on an individual basis with the requirements set out in Parts Two to Eight of the CRR has been waived in accordance with article 10 of CRR. Consequently, the GCC Group only has to comply with capital requirements on a consolidated basis. See "*Description of BCC and the GCC Group - Solvency of the GCC Group*" and "*Capital, liquidity and funding requirements and loss absorbing powers*".

## CAPITAL REMUNERATION

Regarding remuneration on contributions to the capital of Cajamar, in 2023 it accrued €52,897 thousand as interest payments on their contributions to cooperative capital (*intereses de aportaciones al capital social*), out of which €25,939 thousand were accrued and paid in 2023, and €26,958 thousand were accrued in 2023 and are expected to be paid in 2024.

## LEGAL AND ARBITRATION PROCEEDINGS

The nature of the business of Cajamar causes it to be involved in routine legal and other proceedings from time to time. As of 31 December 2023, Cajamar was involved in certain ongoing lawsuits and proceedings arising from the ordinary course of its operations. These proceedings are of a civil or judicial-administrative nature or of a non-judicial administrative nature for amounts that are not material and involve issues that are customary for large financial institutions. None of these proceedings relate to supervisory matters or the regulation of financial entities. Management does not believe that these proceedings, if decided against Cajamar, would have a significant effect on the business or financial condition of Cajamar.

Information about the legal and regulatory risks that Cajamar may be exposed to in the near future can be found in "*The GCC Group is exposed to risk of loss from legal and regulatory claims*" under Risk Factors section.



## **MATERIAL CONTRACTS**

The rights and obligations of Cajamar and the competencies that have been delegated to BCC are governed by the Regulating Agreement as more fully described under "*Description of BCC and the GCC Group – Grupo Cooperativo Cajamar*". There are no material contracts entered into other than in the ordinary course of the Cajamar's business which could result in being under an obligation or entitlement that is material to Cajamar's ability to meet its obligations to Holders in respect of the Securities.

## **CREDIT RATING**

On 29 April 2024, S&P upgraded Cajamar's rating assigning a long-term credit rating of BB+ and maintaining a short-term credit rating of B, and the outlook was revised from Stable to Positive. On 19 December 2022, DBRS upgraded GCC Group's rating assigning a long-term rating of BBB (low) and the short-term at R-2 (Middle), and the outlook from Positive to Stable.

## CAPITAL, LIQUIDITY AND FUNDING REQUIREMENTS AND LOSS ABSORBING POWERS

The following is a summary of the most relevant aspects of the regulatory framework applicable to the GCC Group relating to regulatory capital requirements and to the minimum level of capital and eligible liabilities.

### Own funds requirements

As Spanish credit institutions, BCC and Cajamar are subject to the CRD IV Directive, through which the EU began implementing the Basel III capital reforms, with effect from 1 January 2014. The core regulation regarding the solvency of credit entities is the CRR, (the CRR, together with the CRD IV Directive and any CRD IV implementing measures, "**CRD IV**").

The implementation of the CRD IV Directive into Spanish law has taken place through Royal Decree-Law 14/2013, of 29 November, on urgent measures to adapt Spanish law to European Union regulations on the subject of supervision and solvency of financial entities, Law 10/2014, Royal Decree 84/2015, of 13 February, implementing Law 10/2014 ("**RD 84/2015**"), and Bank of Spain Circular 2/2014, of 31 January, and Bank of Spain Circular 2/2016, of 2 February, to credit entities, on supervision and solvency, which completes the adaptation of Spanish law to CRR and the CRD IV Directive ("**Bank of Spain Circular 2/2016**").

In addition to the minimum capital requirements under CRD IV, BCC and Cajamar are also subject to the recovery and resolution regime under the BRRD, and to any other recovery and resolution rules developing, complementing or implementing it, which are applicable to BCC, Cajamar or the GCC Group (including, without limitation, Law 11/2015 and RD 1012/2015), and to other regulations or policies through which the EU is implementing the recovery and resolution framework. This framework prescribes that credit institutions 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, the CRD IV Directive and the BRRD and SRM Regulation came into force: (i) CRD V Directive, (ii) BRRD II, (iii) CRR II (CRRII together with the CRD V Directive, "**CRD V**"), and (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation with respect to the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (as amended, replaced or supplemented from time to time, the "**SRM Regulation II**") (CRD V, together with BRRD II and the SRM Regulation II, the "**EU Banking Reforms**").

The EU Banking Reforms cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt that should only be bailed-in after junior ranking instruments but before other senior liabilities, changes to the definitions of Tier 2 and Additional Tier 1 instruments, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned below. The recognition of the "non-preferred" senior debt in order to facilitate the creation of a new asset class eligible to count as TLAC and MREL was effectively implemented in the EU through Directive (EU) 2017/2399, which was published in the Official Journal of the EU on 27 December 2017. In Spain, the new class of "non-preferred" senior debt and its insolvency ranking were introduced earlier through Royal Decree Law 11/2017, which entered into force on 25 June 2017 and amended Additional Provision 14 of Law 11/2015, whose paragraph 2 provides for the legal recognition of unsubordinated and unsecured non-preferred obligations (*créditos ordinarios no preferentes*) in Spain.

The CRD V Directive and BRRD II were partially implemented into Spanish law through RDL 7/2021, which amended, among others, Law 10/2014 and Law 11/2015. Furthermore, Royal Decree 970/2021, of 8 November which amended Royal Decree 84/2015, and Circulars 5/2021 and Royal Decree 1041/2021, which amended Royal Decree 1012/2015, completed the implementation of BRRD II into Spanish Law. Full implementation of the CRD V Directive was completed by the approval of Bank of Spain Circular 3/2022.

On 26 January 2021, the European Commission launched a targeted public consultation on technical aspects on a new review of BRRD, the SRM Regulation, and the DGSD. The targeted consultation was split into two main sections: a section covering the general objectives of the review focus, and a section seeking technical feedback on stakeholders' experience with the current framework and the need for changes in the future framework, notably on (i) resolution, liquidation and other available measures to handle banking crises, (ii) level of harmonisation of creditor hierarchy in the EU and impact on no creditor worse off principle, and (iii) depositor insurance. Although no agreement was reached on potential changes during the public consultation, on 18 April 2023 the European Commission adopted the CMDI Proposal referred to below.

Additionally, on 27 October 2021, the European Commission published legislative proposals amending CRR and the CRD IV Directive, as well as a separate legislative proposal amending CRR and BRRD in the area of resolution of credit institutions and investment firms. In particular, the main objectives of the European Commission's legislative proposals are to strengthen the risk-based capital framework, enhance the focus on environmental, social and governance (ESG) risks in the prudential framework, further harmonize supervisory powers and tools and reduce institutions' administrative costs related to public disclosures and to improve access to institutions' prudential data. The legislative proposals are the following: (i) Directive of the European Parliament and of the Council amending CRD Directive as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks; (ii) Regulation of the European Parliament and of the Council and its annex amending CRR as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor; and (iii) Regulation of the European Parliament and of the Council amending CRR and BRRD as regards the prudential treatment of G-SIB groups with a multiple point of entry resolution strategy and a methodology for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities (the so-called "**daisy chains**" proposal). In connection with the proposal referred to in limb (iii), the European Parliament and the Council adopted on 19 October 2022 Regulation (EU) 2022/2036 amending CRR and BRRD as regards the prudential treatment of G-SIIs with a multiple point of entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the MREL requirement, which partially started to apply on 14 November 2022. As to the legislative proposals referred to in limbs (i) and (ii) above, as the European Parliament and the Council reached a final compromise agreement in December 2023. After approval of the proposals by the European Parliament on 24 April 2024, the adoption of the final texts by the European Council and their publication in the Official Journal of the EU are expected to follow. As of the date of this Base Prospectus it is expected that Regulation in (ii) above starts applying gradually from 1 January 2025, while the Directive in (i) above will need to be further implemented in each of the Member States, and the way it will be implemented may vary depending on the relevant Member State.

Moreover, on 18 April 2023 the European Commission adopted the CMDI Proposal", which had been under development for some time and was accelerated in light of recent bank failures. The package contains further amendments to the BRRD, SRM Regulation as well as a separate legislative proposal to amend the DGSD, all of which aim at further preserving financial stability, protecting taxpayers and depositors, and supporting the real economy and its competitiveness. The proposals enable authorities to organise the orderly market exit for a failing bank of any size and business model and consists of three pillars: (i) preserving financial stability and protecting taxpayers' money through facilitating the use of deposit guarantee schemes in crisis situations; (ii) shielding the real economy from the impact of bank failure by allowing authorities to fully use resolution as a key component of the crisis management toolbox; and (iii) better protecting depositors. The CMDI Proposal also includes a targeted amendment of the "daisy chains" proposal as a separate legal instrument to address specific issues on the treatment of internal MREL. The European Commission's proposal harmonises the standards of depositor protection across the EU by (i) harmonising the protection of temporary high balances on bank accounts in excess of €100,000 linked to specific life events (such as inheritance or insurance indemnities), (ii) extending the depositor protection to public entities, and (iii) introducing a new single-tiered preferential ranking for all deposits, with the result that all deposits (including certain deposits of large corporates and deposits by other banks) would rank above unsubordinated and unsecured obligations (*créditos ordinarios*), and *pari passu* with each other. Covered deposits would continue to be excluded from bail-in but would have no "super-preference" on insolvency compared to other deposits. At the same time, non-covered deposits would rank in priority to unsubordinated and unsecured creditors and would therefore be bailed in after any such unsubordinated and unsecured creditors (which is aimed at reducing contagion risk). On 6 December 2023 the European Parliament and the Council reached provisional political agreement on the "daisy chains" proposal, which was finally adopted on 27 March 2024 and published in the Official Journal of the EU on 22 April 2024. Additionally, on 20 March 2024, the Economic and Monetary Affairs Committee of the European Parliament voted in favour of a compromise on amendments to the CMDI Proposal. On 24 April 2024, the European Parliament voted in plenary to adopt three legislative texts on CMDI Proposal framework as its position for upcoming legislative negotiations with the European Council, the European Council having yet to adopt its own position. Therefore, as of the date of this Base Prospectus there is uncertainty with regard to CMDI Proposal and when they will be finally implemented in the EU.

Under CRD IV, financial institutions are required to hold minimum Pillar 1 capital requirements of 8% of risk-weighted assets, of which at least 4.5% of risk-weighted assets must be CET1 capital and at least 6% of risk-weighted assets must be Tier 1 capital.

Due to the authorisation received in June 2014 from the Bank of Spain (*Banco de España*) recognising the GCC Group as an IPS under Spanish law, the obligation of the participating credit cooperatives that form the GCC Group together with BCC to comply on an individual basis with the requirements set out in Parts Two to Eight of

the CRR has been waived in accordance with Article 10 of CRR. This exemption applies to BCC, to Cajamar and to each of the 18 other Members of the GCC Group. Consequently, the GCC Group only has to comply with the minimum capital requirements previously defined on a consolidated basis.

Moreover, Article 68 of Law 10/2014, and similarly Article 16 of the SSM Regulation, also contemplate that in addition to the minimum Pillar 1 capital requirements, supervisory authorities may impose further Pillar 2 capital requirements to cover other risks, including those not considered to be fully captured by the minimum Pillar 1 capital requirements under CRD IV, which should be set according 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). This may result in the imposition of further CET1, Tier 1 and total capital requirements on the GCC Group pursuant to this Pillar 2 framework, increasing the regulatory minimum capital requirement under CRD IV.

In accordance with the SSM Regulation, the ECB assumed its supervisory responsibilities of BCC, Cajamar and the GCC Group within the SSM (which include assessing additional Pillar 2 capital requirements to be complied with by each of the European banking institutions now subject to the SSM). The ECB is required under the SSM Regulation to carry out a SREP at least on an annual basis which may result in the requirement to the GCC Group to hold Pillar 2 capital requirements, which may change from year to year.

In accordance with Articles 104a and 104b of the CRD V, as implemented in Spain by Article 69 and 69bis of Law 10/2014, the specific Pillar 2 capital will consist of two parts: the Pillar 2 capital requirements and the Pillar 2 guidance. The Pillar 2 capital requirements are binding and breaches can have direct legal consequences for banks, while the Pillar 2 guidance is not directly binding and a failure to meet the Pillar 2 guidance does not automatically trigger legal action, even though the ECB expects credit institutions to meet the Pillar 2 guidance. Following this clarification and the ones contained in the "EBA Pillar 2 Roadmap" (April 2017) and the EU Banking Reforms, the Pillar 2 guidance is not relevant for the purposes of triggering the automatic restriction of the distribution and calculation of the Maximum Distributable Amount (as defined below) but, in addition to certain other measures, competent authorities will be entitled to impose further Pillar 2 capital requirements where an institution repeatedly fails to follow the Pillar 2 capital guidance previously imposed.

Although CRR and CRD V do not require disclosure of the Pillar 2 guidance, the Market Abuse Regulation (MAR) ESMA Guidelines on delay in the disclosure of inside information and interaction with prudential supervision, as amended on 5 January 2022, provide that Pillar 2 guidance may be inside information if, for example, the difference between the Pillar 2 guidance and the institution's level of capital is not minor and is likely to involve a major reaction by the institution, such as a capital increase; or if the institution's Pillar 2 guidance is not in line with market expectations. To the extent that Pillar 2 guidance constitutes inside information, it will need to be disclosed pursuant to the obligations applicable to the Bank contained in Regulation (EU) No 596/2014 of 16 April 2014, on market abuse.

In addition to the minimum Pillar 1 capital requirements and the Pillar 2 capital requirements, credit institutions must comply with the combined buffer requirement as set out in the CRD IV Directive. The combined buffer requirement has introduced five new capital buffers that must be met with CET1 capital: (1) the capital conservation buffer for unexpected losses, requiring additional CET1 of 2.5% of total risk weighted assets; (2) the institution-specific countercyclical capital buffer (consisting of the weighted average of the countercyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located), which may require as much as additional CET1 capital of 2.5% of total risk weighted assets or higher pursuant to the requirements set by the competent authority; (3) the G-SIBs buffer requiring additional CET1 of between 1% and 3.5% of risk weighted assets; (4) the D-SIBs buffer, which may be as much as 3% of risk weighted assets (or higher if required by the competent authority)<sup>28</sup>; and (5) the systemic risk buffer to prevent systemic or macro prudential risks of at least 1% of risk weighted assets (to be set by the competent authority). Entities are required to comply with the combined buffer requirement (broadly, the combination of the capital conservation buffer, the institution-specific countercyclical buffer, the systemic risk buffer and the higher of (depending on the institution) the G-SIBs buffer and the D-SIBs buffer, in each case as applicable to the institution). Where an institution is subject to a systemic risk buffer, that buffer will be cumulative to the G-SIBs buffer or the D-SIBs buffer (as applicable) and authorisations from the European Commission will be required if the combination of such buffers is greater than 5% of the risk weighted assets.

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<sup>28</sup> According to the CRD V Directive and new article 46 of Law 10/2014 as amended Royal Decree-law 7/2021, of 27 April.

Neither BCC nor Cajamar have been classified as G-SIBs by the FSB nor by the Bank of Spain so, unless otherwise indicated by the FSB or by the Bank of Spain in the future, they will not be required to maintain the G-SIBs buffer. Likewise, neither BCC nor Cajamar have been considered a D-SIB during 2022 nor in 2023 and, thus, they will not be required to maintain a D-SIBs buffer during this period.

The Bank of Spain agreed on 21 March 2024 to maintain the countercyclical capital buffer applicable to credit exposures in Spain at 0% for the second quarter of 2024. However, on 16 May 2024, the Bank of Spain announced its intention to increase the countercyclical capital buffer applicable to credit exposures in Spain to 1% in two stages: (i) from the fourth quarter of 2024, it is expected to be set at 0.5% (applicable in the fourth quarter of 2025); and (ii) from the fourth quarter of 2025, it is expected to be raised 0.5 pp to be set at 1% (applicable in the fourth quarter of 2026). Despite this announcement, the Bank of Spain may change or reverse the planned actions for circumstances that as of the date of this Base Prospectus are uncertain and are beyond the GCC Group's control.

Consequently, as at the date of this Base Prospectus, the GCC Group is only required to maintain the capital conservation buffer (2.5% of risk weighted assets in 2023 which is the maximum limit established in the CRR) and the countercyclical capital buffer.

On 1 December 2023, BCC announced through an inside information notice (*comunicación de información privilegiada*) that it had received from the ECB the capital prudential requirements applicable to the financial year 2024 based on the results of the latest SREP. The ECB required the GCC Group to maintain, on a consolidated basis from 1 January 2024, the same prudential requirements that had been required to that date, consisting of a phased-in Total Capital ratio of 13%, enforceable from that same date, including the minimum Pillar 1 requirement of 8%, the Pillar 2 requirement of 2.50% and a capital conservation buffer of 2.50%. These requirements require the maintenance of a phased-in CET1 ratio of 8.41%, which includes the minimum required by Pillar 1 (4.50%), the requirements of Pillar 2 (1.41%) and the capital conservation buffer (2.50%). The current capital ratios of the GCC Group are above the requirements that are applicable from 1 January 2024.

As of 31 December 2023, the GCC Group's phased-in CET1 ratio stood at 13.64% (13.50% as of 31 December 2022) and the phased-in Total Capital ratio stood at 16.00% (15.91% as of 31 December 2022), above the supervisor's requirements at that date. At 31 December 2023 the fully loaded CET1 ratio stood at 13.56% (13.25% as of 31 December 2022) and the fully-loaded Total Capital ratio stood at 15.92% (15.67% as of 31 December 2022).

Any failure by the GCC Group to maintain its minimum Pillar 1 capital requirements, any Pillar 2 capital requirements and/or any combined buffer requirement could result in administrative actions or sanctions. In particular, any failure to maintain any additional capital requirements pursuant to the Pillar 2 framework or any other capital requirements to which the GCC Group is or becomes subject (including the combined buffer requirement), may result in the imposition of restrictions or prohibitions on Discretionary Payments (as defined below). In addition, any failure by the GCC Group to comply with its regulatory capital requirements could also result in the imposition of further Pillar 2 capital requirements and the adoption of any early intervention or, ultimately, resolution measures by resolution authorities pursuant to Law 11/2015, RD 1012/2015 and the SRM Regulation.

According to Article 48 of Law 10/2014, Article 73 of RD 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 capital ("**Discretionary Payments**"), until the maximum distributable amount calculated according to CRD IV (i.e., the firm's distributable profits, calculated in accordance with CRD IV, multiplied by a factor dependent on the extent of the shortfall in CET1 capital) (the "**Maximum Distributable Amount**") has been calculated and communicated to the Bank of Spain and thereafter, any such Discretionary Payments will be subject to such Maximum Distributable Amount for entities not meeting the combined buffer requirement.

As set out in the "Opinion of the European Banking Authority (the "**EBA**") on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions" published on 16 December 2015 (the "**December 2015 EBA Opinion**"), 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 calculation is limited to the amount not used to meet the minimum Pillar 1 capital requirements and the Pillar 2 capital requirements of the institution, and accordingly, the combined buffer requirement is in addition to the minimum Pillar 1 capital requirements and to the additional Pillar 2 capital

requirements, and therefore it would be the first layer of capital to be eroded pursuant to the applicable stacking order. The EU Banking Reforms and the final guidelines on the common procedures and methodologies for the SREP and the final guidance to strengthen the Pillar 2 framework published by the EBA on 19 July 2018 (the "**EBA Guidelines**") also clarify the stacking order of the minimum Pillar 1 capital requirements, Pillar 2 capital requirements and combined buffer requirements in the same way.

### **Leverage Ratio**

With regard to leverage, the CRR (as amended by the EU Banking Reforms) contains a binding 3% Tier 1 LR requirement, which institutions must meet in addition and separately to their risk-based requirements from June 2021 onwards.

Moreover, the EU Banking Reforms include a leverage ratio buffer for G-SIBs to be met with Tier 1 capital and set at 50% of the applicable risk weighted G-SIBs buffer. Any breach of this leverage ratio buffer would also result in a requirement to determine the Maximum Distributable Amount and restrict Discretionary Payments to such Maximum Distributable Amount, as well as the consequences of such calculation as specified above. As of 31 December 2023 the GCC Group's LR (fully loaded) was 5.36% (5.31% as of 31 December 2022).

### **Eligible liabilities requirements**

In addition to the minimum capital requirements under CRD IV, the BRRD regime prescribes that credit institutions shall hold a minimum level of own funds and eligible liabilities. Although the specific MREL requirements may vary depending on the specific characteristics of the relevant entity and the resolution plan they include two different ratios: (i) a risk ratio (percentage of the TREA of the resolution entity) and (ii) a non-risk ratio (percentage of the LRE of the resolution entity).

The MREL requirements are composed of two components: Loss Absorption Amount ("**LAA**") and ReCapitalisation Amount ("**RCA**"). In the case of the TREA ratio, the LAA consists of the sum of the minimum Pillar 1 capital requirement and the Pillar 2 capital requirement and the RCA consists of the sum of the minimum Pillar 1 capital requirement and the Pillar 2 capital requirement. In the case of the LRE ratio, the LAA corresponds to the LR requirement and the RCA corresponds to the LR requirement. Some adjustments may apply to this formula following a case-by-case analysis.

The MREL requirement may also include a subordination requirement depending on the assets volume and systemic profile. Thus, the MREL subordination requirements are different for G-SIBs, "top tier" entities (entities which are not G-SIBs with consolidated total assets above €100 billion), other entities which the resolution authority has assessed as reasonably likely to pose a systemic risk in the event of its failure ("**other systemic entities**") and the rest of the resolution institutions. In particular, G-SIBs, "top tier" banks and other systemic entities are subject to MREL Pillar 1 subordination requirements (to be met with subordinated instruments only, including senior non preferred debt): 18% in terms of TREA and 6.75% in terms of LRE in the case of G-SIBs and 13.5% in terms of TREA and 5% in terms of LRE in the case of "top tier" entities and other systemic entities. The EU Banking Reforms further include an additional subordination requirement of eligible instruments for G-SIBs, "top tier" banks and other systemic entities involving an institution specific MREL Pillar 2 subordination requirement. This MREL Pillar 2 subordination requirement is targeted at 8% of the total liabilities, including own funds and may be determined on a case-by-case basis but subject to certain caps. The Relevant Resolution Authority may also impose to resolution entities that are neither "top tier" banks nor other systemic entities MREL Pillar 2 subordinated requirements.

According to Article 16a of the BRRD, a resolution authority shall have the power to prohibit an entity from making Discretionary Payments above the "maximum distributable amount" for own funds and eligible liabilities (calculated in accordance with Article 16a(4) of the BRRD) (the "**MREL-Maximum Distributable Amount Provision**") through (i) distributions relating to CET1 capital, (ii) payments in respect of variable remuneration or discretionary pension benefits and (iii) distributions relating to additional tier 1 capital instruments, where it meets the combined buffer requirement in addition to its own funds requirements but fails to meet that combined buffer requirement when considered in addition to the MREL requirements. 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 such provisions (subject to certain limited exceptions).

On 18 March 2024, BCC published that it had received from the Bank of Spain the notification of its MREL requirements as determined by the SRB. According to such notification, BCC must reach a consolidated MREL

of 20.49% and 5.36% in terms of TREA and LRE, respectively, as of 1 January 2025 and an interim MREL requirement of 14.03% and 5.31% in terms of TREA and LRE, respectively, from 1 January 2022. These ratios do not include 2.50% of the combined buffer requirement. The SRB has calculated these requirements taking into account financial and prudential information available as of 31 December 2022. BCC has not been communicated any subordination requirement. The MREL requirement determined by the SRB is in line with the projections of the GCC Group, and its achievement is considered within its financing plans, with the current MREL levels of BCC already exceeding those required as of 1 January 2025.

### **Prudential treatment of NPLs**

On 15 March 2018, the ECB published the addendum to the ECB Guidance to banks on NPLs published on 20 March 2017 (the "**NPL Guidance**"). The Addendum specifies the ECB's supervisory expectations for prudent levels of provisions for new NPLs, it is non-binding and will serve as the basis for the supervisory dialogue between the significant banks and ECB Banking Supervision. The ECB will assess any differences between banks' practices and the prudential provisioning expectations laid out in the Addendum at least annually.

During the supervisory dialogue, the ECB will discuss with each bank divergences from the prudential provisioning expectations laid out in the addendum. After this dialogue and taking into account the bank's specific situation, ECB Banking Supervision will decide, on a case-by-case basis, whether and which supervisory measures are appropriate. The result of this dialogue will be incorporated, for the first time, in the 2021 SREP.

In addition, in a press release dated 11 July 2018, the ECB announced that, in order to address the stock of NPLs and with the aim of achieving the same coverage of NPL stock and flow over the medium term, it would set bank-specific supervisory expectations for the provisioning of NPLs.

As part of the EU Commission's package of measures aimed at addressing the risks related to high levels of NPLs in Europe, Regulation (EU) 2019/630 amends CRR as regards minimum loss coverage for non-performing exposures ("**NPEs**"), introducing a clear set of conditions for the classification of NPEs. This regulation establishes clear criteria on the determination of non-performing exposures, the concept of forbearance measures, deduction for non-performing exposures and treatment of expected loss amounts.

### **Loss Absorbing Powers by the Relevant Resolution Authority under Law 11/2015 and the SRM Regulation**

The BRRD (which was implemented in Spain through Law 11/2015 and RD 1012/2015) and the SRM Regulation are designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing credit institution or investment firm (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. The BRRD further provides that any extraordinary public financial support through additional financial stabilisation tools is only to be used by a Member State as a last resort, after having assessed and exploited the resolution tools set out below to the maximum extent possible while maintaining financial stability.

In accordance with article 20 of Law 11/2015, an institution will be considered as non-viable or likely to be non-viable 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 SRB or the FROB 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 non-viable or likely to be non-viable, (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 assets and/or liabilities 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) bail-in - which gives the Relevant Resolution Authority the right to exercise 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 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 including both Senior Notes and Subordinated 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 resolution of credit entities and/or 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 obligations (with certain exceptions) of an institution can be reduced (which may result in the reduction of the relevant claim to zero), cancelled, modified, transferred 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, the sequence of any resulting write-down or conversion shall be as follows: (i) CET1 instruments; (ii) the obligations under Additional Tier 1 instruments; (iii) the obligations under Tier 2 instruments; (iv) the principal amount of other subordinated obligations that do not qualify as Additional Tier 1 capital or Tier 2 capital in accordance with claim ranking set out in the Insolvency Law; and (v) the principal outstanding amount of the "bail-inable liabilities" (*pasivos susceptibles de recapitalización interna*) in accordance with the creditors' hierarchy set out in the Insolvency Law (with "non-preferred" ordinary obligations subject to the Spanish Bail-in Power after any subordinated obligations against the Bank but before the other ordinary obligations of the Bank).

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 II (partially implemented in Spain) and the SRM Regulation II, provide for the Relevant Resolution Authority to have the further power to also permanently write down or convert into equity own funds and certain internal eligible liabilities at the point of non-viability (both of them together, the "**Non-Viability Loss Absorption**" and together with the Spanish Bail-in Power, the "**Loss Absorbing Power**") 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 will no longer be viable unless the relevant capital instruments (such as the Tier 2 Subordinated Notes) are written down or converted into equity or extraordinary public support is 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, in respect of certain internal eligible liabilities, and independently of, 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), or in combination with them, in respect of all eligible liabilities.

In accordance with Article 64.1 (i) of Law 11/2015, the Relevant Resolution Authority has also the power to alter the amount of interest payable under debt instruments and other bail-inable 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).

BCC is recognised by the Relevant Resolution Authority as a single point of entry for resolution purposes. In this sense, and since it is the parent company of the consolidated GCC Group, the Notes are available to absorb losses of any of the entities within the GCC Group and potentially to recapitalise the whole GCC Group (see "*Description of BCC and the GCC Group*").



## **Code of Good Practices**

On 24 November 2022, Royal Decree-Law 19/2022, came into force with the purpose of protecting certain mortgage debtors and prevent difficulties to make payments on their debt as a result of the rise in interest rates. Among other measures, Royal Decree-Law 19/2022 sets up the 2022 Code of Good Practices which will be in force for a two-year period for the adoption of measures for mortgagors at risk of vulnerability due to rising interest rates, and amending the former Code of Good Practices established by Royal Decree-Law 6/2012.

The GCC Group acceded to the 2022 Code of Good Practices on December 2022 and will benefit individuals with mortgage loans granted before 31 December 2022 and secured by their first residence and a purchase price not exceeding €300,000 who request the novation of the loan no later than 24 November 2024 if such individual: (i) has a household income which does not exceed by 3.5 times the annual 14-payment IPREM (Public Income Index); (ii) has been subject to a mortgage burden increase of 1.2 times during the four years prior to the request for novation; and (iii) has seen its monthly mortgage payment exceed 30% of its household income.

Under these circumstances, the 2022 Code of Good Practices contemplates either: (i) the extension of the maturity of the loan for up to seven years with the option of applying a grace period of 12 months for payment of principal (provided that the outstanding principal of the loan will accrue interest at a rate representing a reduction of 0.5% of the net present value of the loan and the extension cannot result in a reduction of mortgage monthly payments below what was being paid on 1 June 2022); or (ii) a conversion of the loan to fixed rate. The novation of the loan as a result of any of such alternatives may not result in the maturity exceeding 40 years.

The accession of the GCC Group to the 2022 Code of Good Practices did not have a material impact for the GCC Group.

## OVERVIEW OF SPANISH LEGISLATION REGARDING COVERED BONDS

The following is a brief summary of certain features of Royal Decree-Law 24/2021 at the date of this Base Prospectus. It does not purport to be, and is not, a complete description of all aspects of the Spanish legislative and regulatory framework for Covered Bonds. Please also refer to "*Risk Factors – Risks related to Covered Bonds*".

### Introduction

The Covered Bonds represent unsubordinated debt of the Issuer<sup>29</sup>, bear interest, are repayable by early redemption or at maturity and may be traded in domestic and/or foreign markets.

The Covered Bonds will be considered (i) Mortgage Covered Bonds (European premium covered bonds) (*Cédulas Hipotecarias (bonos garantizados europeos (premium))*) and, (ii) Public Covered Bonds (European premium covered bonds) (*Cédulas Territoriales (bono garantizado europeo (premium))*) pursuant to article 4.3 of Royal Decree-Law 24/2021.

Without prejudice to the obligations of the Issuer for making all payments in respect of the Covered Bonds, the totality of the principal and interest of the Covered Bonds, both accrued and future, will be specially guaranteed without the need to assign the assets in guarantee by public deed, or any registration in any public registry or any other formality, by a preferential right on the totality of the assets that make up the relevant Cover Pool, including any present and future amounts received in respect of such assets, as well as on the realisation of any collateral and, if applicable, any collateral received in connection with positions in derivative instruments and any rights derived from insurance against damages, as identified in the corresponding special register of the Issuer, all in accordance with the legislation in force in Spain, as of the date of this Base Prospectus.

### Covered Bonds Programme

The issue of the Covered Bonds by the Issuer requires the prior authorisation of the Bank of Spain in accordance with Royal Decree-Law 24/2021 of the "covered bond programme" for each category of Covered Bonds (i.e. Mortgage Covered Bonds and Public Sector Covered Bonds) to be in force in accordance with article 34 of Royal Decree-Law 24/2021.

On 6 July 2022, the Bank of Spain authorised the covered bond programmes of Cajamar (i) for the issuance of Mortgage Covered Bonds for an aggregate amount of EUR 7,000,000,000, and with a validity period expiring on 6 July 2025 and (ii) for the issuance of Public Sector Covered Bonds for an aggregate amount of EUR 1,500,000,000, and with a validity period expiring on 6 July 2025 (each of them a "**Covered Bond Programme**" and together the "**Covered Bonds Programmes**"). The Covered Bonds issued under the Programme will form part of the relevant Covered Bonds Programme and will be collateralised by the Cover Pool. The information contained in this Base Prospectus relating to the issuance of the Covered Bonds is aligned in all material respects with the provisions contained in the relevant Covered Bonds Programmes.

### Cover pool

The Covered Bonds will be specially secured by the assets of the relevant Cover Pool of the Covered Bonds Programmes of the Issuer for the issuance of Mortgage Covered Bonds and, in the case of Cajamar, Public Sector Covered Bonds. Title IV of Royal Decree-Law 24/2021 sets forth the particular requirements of the assets that may be included in each Cover Pool depending on the nature of the Covered Bonds as follows:

#### *Mortgage Covered Bonds*

- In accordance with article 23 of Royal Decree-Law 24/2021, the Cover Pool for Mortgage Covered Bonds shall comprise the eligible primary assets listed in letters d) and f) of article 129.1 of CRR and which form part of the Cover Pool, the replacement assets, the liquid assets that make up the liquidity buffer of the Cover Pool and the economic flows generated by the derivative financial instruments, all in

<sup>29</sup> As of the date of this Base Prospectus, only Cajamar may issue Covered Bonds under the Programme. BCC will be able to issue Covered Bonds under the Programme upon (i) obtaining the relevant authorisation of the Bank of Spain for the creation of a covered bond programme for the issuance of Mortgage Covered Bonds and (ii) the relevant supplement to the Base Prospectus to incorporate BCC as Issuer of Mortgage Covered Bonds under the Programme having been approved by the Central Bank of Ireland and subsequently published.

accordance with the legislation in force and the corresponding Covered Bond Programme authorised by the Bank of Spain.

- Eligible primary assets include, among others: (i) loans secured by residential property up to the lesser of the principal amount of the liens that are combined with any prior liens, and 80% of the value of the pledged properties; or (ii) loans secured by commercial immovable property up to the lesser of the principal amount of the liens that are combined with any prior liens, and 60% of the value of the pledged properties. Loans secured by commercial immovable property are eligible where the loan-to-value ratio of 60% is exceeded up to a maximum level of 70% if the value of the total assets pledged as collateral for the covered bonds exceeds the nominal amount outstanding on the covered bond by at least 10%, and the holders' claim meets the legal certainty requirements set out in Chapter 4 of CRR. The holders' claim shall take priority over all other claims on the collateral.
- Assets consisting of credits or loans shall be included in the Cover Pool and shall serve as collateral for the total amount of the principal amount outstanding, regardless of the amount by which they contribute to the Cover Pool. An asset may not belong to two different Cover Pools and partial inclusion of assets in the Cover Pool is not permitted.
- In addition to meeting the conditions set forth in Chapter 4 of CRR, the real estate mortgage securing the loans must be constituted with first ranking over the full ownership of the entire property. If other mortgages encumber the same property or if it is subject to prohibitions on disposition, resolatory condition or any other limitation of the domain, these must be cancelled or postponed to the mortgage prior to its inclusion in the Cover Pool.
- At the time of its incorporation into the Cover Pool, the loan secured by real estate mortgage may not exceed 60% of the appraisal value of the mortgaged property. In the case of residential real estate, the loan may reach 80% of the appraisal value. The term of amortisation of the secured loan, when it finances the acquisition, construction or rehabilitation of the habitual residence, may not exceed 30 years. If, as a consequence of the amortisation of a loan initially ineligible for exceeding the indicated limits, the corresponding thresholds are reached, the loan with mortgage guarantee could be eligible as a collateral asset from that moment onwards.
- When, due to depreciation of the collateral, at any time after its incorporation in the Cover Pool, the loan exceeds the limits set forth in the preceding paragraph, such loan shall be computed up to the limit indicated therein for the purposes of the coverage requirement set forth in article 10.5 of Royal Decree-Law 24/2021.
- The Mortgage Covered Bonds may be backed up to a limit of 10% of the principal amount by the following replacement assets:
  - (i) fixed income securities admitted to trading on regulated markets issued by the counterparties referred to in letters a) and b) of article 129.1 of CRR; and/or
  - (ii) short-term deposits in credit institutions that comply with the provisions of article 129.1 (c) of CRR and the limits so provided.
- If, due to the amortisation of the loans comprising the Cover Pool, the replacement assets exceed the applicable limits, the Issuer may choose to acquire its own Mortgage Covered Bonds until the ratio is restored or replace them with other assets that meet the required conditions.
- The Mortgage Covered Bonds must have a minimum level of 5% legal over-collateralisation as provided for in the first paragraph of article 129.3a of CRR (the "**Legal Over-collateralisation**"), which entails a collateralisation equivalent to at least 105% of the total nominal amount of the outstanding Covered Bonds. In addition to the Legal Over-collateralisation, the Issuer may at any time during the life of the Cover Bond Programme, at its own discretion, assume the obligation to maintain a level of guarantee higher than the Legal Over-collateralisation. Cajamar has not established or assumed any contractual level of collateralisation above the Legal Over-collateralisation requirement for the Cover Pool for Mortgage Covered Bonds.
- The over-collateralisation level shall be disclosed in the periodic information the Issuer is obliged to provide pursuant to article 19 of Royal Decree-Law 24/2021 and, if applicable, as other relevant

information, without prejudice to any other obligation derived from the regulations in force regarding the securities market. This information will be published on the website of Cajamar at: <https://www.cajamar.es/en/comun/informacion-corporativa/informacion-para-inversores/informacion-general/emisiones/>.

As of 31 December 2023 and 31 March 2024, the level of over-collateralisation of the Cover Pool for Mortgage Covered Bonds of Cajamar was 33% and 27%, respectively at each date.

As of the date of the Base Prospectus, Cajamar has not approved an independent policy for the management of derivative contracts for hedging purposes and replacement assets of the Cover Pool for Mortgage Covered Bonds.

- The mortgaged property shall be insured against damage for at least the appraisal value and the credit claim linked to the insurance shall be included in the special register of the mortgage Covered Bond Programme.
- The Issuer may not perform any of the following actions with respect to the loans included in the Cover Pool except with the express authorisation of the cover pool monitor of the Cover Pool and subject to certain conditions:
  - (i) voluntarily cancel such mortgages, for reasons other than the payment of the guaranteed loan;
  - (ii) waive or make any compromises with respect to any amounts due;
  - (iii) condone in whole or in part the guaranteed loan;
  - (iv) in general, perform any act that diminishes the ranking, legal effectiveness or economic value of the mortgage or loan; or
  - (v) postpone existing mortgages in its favour as security for loans.

Exceptionally, when the Issuer is bound by obligations in respect of the loans established in the applicable regulations, it may modify the terms of the loans without the express authorisation of the cover pool monitor of the Cover Pool. Such modifications shall be reported individually, at the time they are made, to the cover pool monitor of the Cover Pool, which, in any event, must verify that, following such modifications, none of the requirements and limits demanded of the Cover Pool assets in the Royal Decree-Law 24/2021 or contractually are breached and, therefore, they may continue to form part of the corresponding Cover Pool.

- The liquidity buffer of the Cover Pool shall be comprised of the assets referred to in article 11 of Royal Decree-Law 24/2021 and shall be sufficient to cover the net liquidity outflow of the Covered Bond Programme during the following 180 days.
- All the liabilities of the Covered Bonds must be covered by the credit rights linked to the Cover Pool assets as set forth in Royal Decree-Law 24/2021.

#### *Public Sector Covered Bonds*

- In accordance with article 24 of Royal Decree-Law 24/2021, the Cover Pool for Public Sector Covered Bonds shall comprise the eligible primary assets listed in letter a) of article 129.1 of CRR, provided that such loans are not linked to the financing of export contracts for goods and services or to the internationalisation of companies, and which form part of the Cover Pool, the replacement assets, the liquid assets that make up the liquidity buffer of the Cover Pool and the economic flows generated by the derivative financial instruments, all in accordance with the legislation in force and the corresponding issue programme authorised by the Bank of Spain.
- Eligible primary assets include exposures to or guaranteed by central governments, the national central banks that are members of the European System of Central Banks, the European Central Bank, public sector entities, regional governments or local authorities in the EU.
- The Public Sector Covered Bonds may be backed up to a limit of 10% of the principal amount by the following replacement assets:

- (i) fixed income securities admitted to trading on regulated markets issued by the counterparties referred to in letters a) and b) of article 129.1 of CRR; and/or
  - (ii) short-term deposits in credit institutions that comply with the provisions of article 129.1 (c) of CRR and the limits so provided.
- The Public Sector Covered Bonds must have the minimum level of Legal Over-collateralisation provided for in the first paragraph of article 129.3a of CRR. In addition to the Legal Over-collateralisation, the Issuer may at any time during the life of the Covered Bond Programme, at its own discretion, assume the obligation to maintain a level of guarantee higher than the Legal Over-collateralisation. Cajamar has not established or assumed any contractual level of collateralisation above the Legal Over-collateralisation requirement for the Cover Pool for Public Sector Covered Bonds.
  - The over-collateralisation level shall be disclosed in the periodic information the Issuer is obliged to provide pursuant to article 19 of Royal Decree-Law 24/2021 and, if applicable, as other relevant information, without prejudice to any other obligation derived from the regulations in force regarding the securities market. This information will be published on the website of Cajamar at: <https://www.cajamar.es/en/comun/informacion-corporativa/informacion-para-inversores/informacion-general/emisiones/>.
- As of 31 December 2023 and 31 March 2024, the level of over-collateralisation of the Cover Pool for Public Sector Covered Bonds of Cajamar was 100.27% and 116.20%, respectively at each date.
- The Issuer may not perform any of the actions referred to in article 23.7 of Royal Decree-Law 24/2021 with respect to the loans included in the Cover Pool except with the express authorisation of the cover pool monitor of the Cover Pool and subject to certain conditions.
  - Assets consisting of credits or loans shall be included in the Cover Pool and shall serve as collateral for the total amount of the principal outstanding, regardless of the amount by which they contribute to the Cover Pool. An asset may not belong to two different Cover Pools and partial inclusion of assets in the Cover Pool is not permitted.
  - The liquidity buffer of the Cover Pool shall be sufficient to cover the net liquidity outflow of the Covered Bond Programme during the following 180 days.
  - All the liabilities of Covered Bonds must be covered by the credit rights linked to the Cover Pool assets as set forth in Royal Decree-Law 24/2021.

### **Internal policies and procedures for the management and monitoring of the Cover Pool**

Cajamar has defined a general policy to govern the management and monitoring of the relevant Cover Pool, which was approved by its management bodies (the "**Policy**").

The Policy applies to the Covered Bonds issued by Cajamar in Spain, as well as to Covered Bonds issued outside of Spain in accordance with Royal Decree-Law 24/2021 and sets out the general guidelines that they must comply with, in addition to the recommendations from supervisory bodies and best market practices that they are also required to take into consideration.

Cajamar must ensure that the liabilities of the Covered Bonds Programmes are backed at all times with Eligible Assets, complying in any case, and at all times, with the applicable legal or contractual over-collateralisation levels. Compliance with these limits shall be monitored on an ongoing basis.

Only assets meeting the eligibility conditions of the Covered Bonds Programmes shall be included in the relevant Cover Pool. Inclusion or exclusion of any assets from the relevant Cover Pool or adoption of any legal action that may affect its effectiveness shall be contingent upon verification of compliance with applicable regulations, following authorisation from the Cover Pool Monitor.

Only assets that can be segregated may be included in the relevant Cover Pool and Cajamar shall maintain a special register of the assets included in the relevant Cover Pool. For the purposes of article 1,922 and article 1,923 of the Spanish Civil Code and article 270.7 of the Insolvency Law, the registration of the assets in the special register will permit: (a) the identification by Cajamar of all the assets that form part of the relevant Cover Pool;

and (b) the allocation of the registered assets to secure the payment obligations under the Covered Bonds in accordance with article 6 of Royal Decree-Law 24/2021.

The Cover Pool of each Covered Bonds Programmes will consist of Eligible Assets with different characteristics, including structural features, lifetime or risk profile in the Cover Pool. The Policy sets out rules aimed at preserving the granularity of the pool of Eligible Assets, as well as at identifying and addressing potential mismatches in maturities, lifetime and interest rates, as well as, where appropriate, exchange rates.

### **Cover Pool special register**

Pursuant to article 9 of Royal Decree-Law 24/2021, the Issuer has to keep a special register where each and every loan and, if applicable, the drawn portion of the loans, replacement assets, assets to cover the liquidity requirement and derivative instruments, which makes up each applicable Cover Pool, as well as, if applicable, any collateral received in connection with positions in derivative instruments and, if applicable, any rights derived from insurance against damages pursuant to article 23.6 of Royal Decree-Law 24/2021, are recorded.

### **Nature and regime of the Cover Pool**

Pursuant to article 7 of Royal Decree-Law 24/2021, every covered bond programme must have, at all times, a Cover Pool. The Issuer shall ensure that the Cover Pool is made up of collateral with different characteristics in terms of structure, duration and risk profile.

For these purposes, the Issuer shall have internal policies and procedures to ensure compliance with this principle in the composition of the Cover Pool portfolio that meet, in particular, the following requirements:

- they must explicitly include internal rules and tests of granularity and concentration, on potential maturity, duration and interest rate mismatches and, if applicable, exchange rates;
- they must be approved by the Issuer's management body; and
- the part of the information on such policies and procedures that is most relevant to the investor must be included in the contractual terms and conditions.

### **Cover pool monitor of the Cover Pool of each programme**

The Issuer must, in accordance with article 30 of Royal Decree-Law 24/2021, designate for each Covered Bond Programme a cover pool monitor for each Cover Pool, which will act at all times in the interest of holders of covered bonds in respect of the relevant Cover Pool and whose function is to permanently monitor the Cover Pool associated with each covered bonds issue. The cover pool monitor is responsible for, among other things, authorising the entry and removal of assets included in the special register for each Cover Pool. The cover pool monitor may be external or internal, and shall be appointed in accordance with the provisions of article 31 of Royal Decree-Law 24/2021.

Intermoney Agency Services, S.A., was appointed by Cajamar on 29 March 2022 as cover pool monitor of the Covered Bonds Programmes of Cajamar for the issuance of Mortgage Covered Bonds and Public Sector Covered Bonds. Intermoney Agency Services, S.A. is duly authorised by the Bank of Spain to act as cover pool monitor.

### **Supervision by the Bank of Spain**

The Bank of Spain will be responsible for the public supervision of covered bond programmes. The Bank of Spain must provide its authorisation for the constitution of a covered bonds programme and has the power to obtain any necessary information, undertake investigative activities and impose such sanctions as may be necessary to perform its supervisory function and ensure that the requirements set forth in Royal Decree-Law 24/2021 are complied with. In this regard, the Issuer shall provide to the Bank of Spain upon request any information that the Bank of Spain deems necessary and, at least on a quarterly basis, the information required by article 35 of Royal Decree-Law 24/2021.

### **Order of priority**

The Covered Bonds incorporate the rights of holders of Covered Bonds as creditors against the Issuer and are obligations enforceable in accordance with the terms set forth in Law 1/2000, of January 7, on Civil Proceedings,

in order to claim payment from the Issuer after their maturity. The creditors' rights of holders of Covered Bonds shall extend to the totality of the payment obligations associated with the Covered Bonds.

Holders of Covered Bonds shall have the status of creditors with special preference provided for in paragraph 8 of article 1922 and paragraph 6 of article 1923 of the Spanish Civil Code, as opposed to any other creditors in relation to the loans and other assets included in the applicable Cover Pool, the replacement assets and, if applicable, the economic flows generated by the derivative instruments and rights derived from insurance against damages, in accordance with the provisions of Chapter III, Title XVII, of Book Four of the Spanish Civil Code.

All holders of Covered Bonds, regardless of their date of issue, will have the same priority over the loans and other assets included in the applicable Cover Pool and, if any, over the replacement assets and economic flows generated by the derivative financial instruments linked to the specific issues.

In the event of insolvency of the Issuer, holders of Covered Bonds will be accorded the special privilege status established pursuant to paragraph 7 of article 270 of the Insolvency Law.

Neither the insolvency (*concurso*) of the Issuer nor the Issuer being subject to any resolution procedure shall:

- cause the automatic early termination of the payment obligations under the Covered Bonds or otherwise affect the Issuer's obligation to fulfil any of its obligations under the Covered Bonds (without prejudice to the provisions of article 42.2 of Law 11/2015);
- entitle any holder of Covered Bonds to require the Issuer to redeem the Covered Bonds prior the maturity date or the extended final maturity date, as applicable;
- result in the suspension of the accrual of interest on the Covered Bonds; or
- result in the redemption or early termination of any derivative contracts included in the applicable Cover Pool.

Upon insolvency (*concurso*) or resolution of the Issuer, a special cover pool administrator will be appointed by the competent court after consultation with the Bank of Spain, from among persons nominated by the FROB (in the event of insolvency (*concurso*) of the Issuer) or directly by the FROB in consultation with the Bank of Spain (in the event of resolution of the Issuer). The special cover pool administrator will preserve the rights and interests of the holders and will oversee the management (in the event of resolution of the Issuer) or will manage (in the event of insolvency (*concurso*) of the Issuer) the Covered Bonds Programmes of the Issuer.

In addition, upon insolvency (*concurso*) of the Issuer, the assets of the relevant cover pool registered in the special register maintained by the Issuer will be materially segregated from the assets and will form a separate estate but without legal personality, which will be represented by the special cover pool administrator.

The segregation described above implies that the assets forming part of the applicable Cover Pool:

- do not form part of the insolvency estate of the Issuer (*masa del concurso*) until the claims of the holders of Covered Bonds and the relevant derivative counterparties (if any) and the expenses related to the maintenance and management of the separate assets of the relevant Cover Pool (and, if applicable, to its liquidation) are satisfied; and
- are protected against the rights of third parties and therefore cannot be rescinded by application of the reinstatement actions provided for in the insolvency legislation, except as provided in article 42.2 of Royal Decree-Law 24/2021.

The special cover pool administrator shall determine that the assets in the relevant Cover Pool registered in the special register maintained by the Issuer, together with any corresponding liabilities, will be transferred to form a separate estate without legal personality.

Once any such asset transfer has been made, if the total value of the assets included in the relevant Cover Pool exceeds the total value of the liabilities in relation to such Cover Pool plus the legal, contractual or voluntary over-collateralisation and liquidity requirements, the special cover pool administrator may decide whether to continue with the management of those assets as separate estate without personality until their maturity or to make a total or partial assignment of such assets to another entity that is an issuer of covered bonds. Any such total or partial assignment will constitute a new covered bond programme for such entity, which will require the authorisation

provided for in article 34 of Royal Decree-Law 24/2021. The special cover pool administrator may determine that it is in the best interests of holders of Covered Bonds for the assets included in the applicable Cover Pool to be sold. This could result in holders of Covered Bonds receiving payment according to a different payment schedule than that contemplated by the terms of the Covered Bonds or the holders of Covered Bonds not receiving payment in full.

If the total value of the assets is less than the total value of the liabilities plus the legal, contractual or voluntary over-collateralisation and the liquidity requirement, the special cover pool administrator will request the liquidation of the separate estate following the ordinary insolvency proceedings in accordance with the provisions of article 46 of Royal Decree-Law 24/2021.

In the event that the privileged claim of holders of Covered Bonds cannot be fully settled against the applicable Cover Pool, holders of Covered Bonds will have a claim against the Issuer with the same priority as the other claims of the unsecured creditors. If, once the claims of holders of Covered Bonds have been fully settled against the Cover Pool, there is any remainder, it will revert to the insolvency estate of the Issuer.

For the purposes of this section, the terms below shall have the following definitions:

**"covered bonds"** means mortgage covered bonds or public sector covered bonds issued by a credit institution in accordance with the provisions of Royal Decree-Law 24/2021 and secured by assets of their corresponding Cover Pools to which the holders of those bonds may have direct recourse in their capacity as preferred creditors;

**"covered bond programme"** means the structural characteristics of one or several issues of a type of covered bond that are determined by applicable legal regulation and by contractual clauses and conditions, in accordance with the permission granted to the issuing entity by the Bank of Spain.; and

**"Cover Pool"** means a pool of clearly defined assets that secure the payment obligations attached to a determined covered bond programme and that are segregable from other assets of the issuing entity as provided for by Royal Decree-Law 24/2021.



## TAXATION

***Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuers' country of incorporation, may have an impact on the income that an investor receives from the Securities.***

### Spain

*The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Securities. It does not purport to be a complete analysis of all tax consequences relating to the Securities 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 Securities and receiving any payments under the Securities. 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 Holders include the beneficial owners of the Securities.*

### 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 (Law 10/2014), as well as Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended by Royal Decree 1145/2011, of 29 July, ("**Royal Decree 1065/2007**");
- (b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax ("**IIT**"), Law 35/2006 of 28 November, on the IIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax, 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 and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, 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 CIT 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, and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, 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.

This is not intended to be an exhaustive description of all relevant tax-related considerations for making a decision to acquire or sell Securities, nor does it address the tax consequences applicable to all investor categories, some of whom may be subject to special rules.

It is therefore recommended that investors who are interested in acquiring the Securities consult with tax experts who can provide them with personalised advice based on their particular circumstances. Likewise, investors should consider the legislative changes which could occur in the future.

## *Indirect taxation*

Whatever the nature and residence of the Holder, the acquisition and transfer of Securities 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, as amended regulating such tax.

## **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 Securities 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 €6,000.00; (ii) 21% for taxable income from €6,000.01 to €50,000.00; (iii) 23% for taxable income between €50,000.01 and €200,000.00, (iv) 27% for taxable income between €200,000.01 and €300,000, and (v) 28% for any amount in excess of €300,000.00.

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

Negative income derived from the transfer of the Securities, in the event that the Holder 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 Securities will be deductible, excluding those pertaining to discretionary or individual portfolio management.

- (a) *In respect of Global Securities* – 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 Holders) and has provided that the interest will be paid by the relevant Issuer to the Principal Paying Agent for the gross amount, provided that such information procedures are complied with, so that any payment under the Securities will not be subject to withholding tax to the extent that the simplified information procedures (which do not require identification of the Holders) are complied with by the Principal Paying Agent as it is described in section "Simplified information procedures". If these information obligations are not complied within the manner indicated, the relevant Issuer will withhold at the general rate applicable from time to time, and the relevant Issuer will pay the relevant additional amounts as will result in receipt by the Holder of such amounts as would have been received by them had no such withholding or deduction been required.

However, in the case of Securities held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Securities may be subject to withholding tax at the general rate of 19% which will be made by the depositary or custodian.

- (b) *In respect of Book-Entry Securities* – debt listed securities issued under Law 10/2014 and initially registered in a Spanish clearing and settlement entity interest payment made to Spanish tax resident individuals will be subject to withholding tax (currently 19%). However, with certain exceptions, income derived from the transfer of the Book-Entry Securities should generally not be subject to withholding on account of IIT provided that the Book-Entry Securities are:

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

Except to the portion of the price which is equivalent to the accrued interest on any transfer which are made within the 30 days immediately prior to the maturity of the coupon, when (i) the acquirer is an individual or entity not resident in Spain or is a taxable person for CIT purposes; and (ii) this express income is exempt from the obligation to withhold in relation to the acquirer.

In any event, amounts withheld (in respect of Global Securities and Book-Entry Securities) may be credited against the final IIT liability.

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

Please refer to section "*Risk Factors – Risks Relating to Spanish withholding tax regime*" above in relation to such information procedures.

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

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000. Therefore, they should take into account the value of the Securities which they hold as of 31 December each year, the applicable rates ranging between 0.2% and 3.5%. The Autonomous Communities may have different provisions in this respect.

In addition to the above, the so-called "Solidarity Tax" was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applied, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarra, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarra.

The rates of the "Solidarity Tax" are the following:

Taxable base up to (Euros)	Tax due (Euros)	Rest of taxable base (Euros)	Rate
0.00	0.00	3,000,000.00	0%
3,000,000.00	0.00	2,347,998.03	1.7%
5,347,998.03	39,915.97	5,347,998.03	2.1%
10,695,996.06	152,223.93	Any excess	3.5%

Note that the regulation lays down a minimum exempt amount of €700,000 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than €3,700,000. The Solidarity Tax Law allows the Spanish Wealth Tax amount payable to be deducted from the Solidarity Tax.

Whilst the Solidarity Tax was initially established for a 2-year period (2022 and 2023), it has been extended indefinitely.

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

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

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Securities by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 7.65% and 81.6% depending on relevant factors, 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 Securities 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).

- (a) *In respect of Global Securities* – In accordance with Section 44.5 of Royal Decree 1065/2007 and in the opinion of the Issuers, 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 relevant Issuer will not withhold tax on interest payments to Spanish CIT taxpayers to the extent that the simplified information procedures (which do not require identification of the Holders) are complied with by the Principal Paying Agent as it is described in section "*Simplified information procedures*". If these information obligations are not complied within the manner indicated, the relevant Issuer will withhold at the general rate applicable from time to time, and the relevant Issuer will pay the relevant additional amounts as will result in receipt by the Holder of such amounts as would have been received by them had no such withholding or deduction been required.

However, in the case of Securities held by a Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Securities may be subject to withholding tax at the generally applicable rate of 19% if the Securities do not comply with exemption requirements specified in the Reply to a Non Binding 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 their final CIT liability.

- (b) *In respect of the Book-Entry Securities* – In accordance with Section 44.4 of Royal Decree 1065/2007, there is no obligation to withhold on income payable to CIT taxpayers. Consequently, the Issuer will not withhold tax on interest payments to Spanish CIT taxpayers provided that the reporting obligations described under "*Simplified information procedures*" below are complied with.

With regard to income derived from the transfer of the Book-Entry Securities, in accordance with article 61.q of the CIT regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers provided that the relevant securities are:

- (i) registered under book-entries (*anotaciones en cuenta*); and
- (ii) traded on a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

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

Please refer to section "Risk Factors – Risks Relating to Spanish withholding tax regime" above in relation to such information procedures.

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

Legal entities resident in Spain for tax purposes are neither subject to Wealth Tax nor to Solidarity 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 Securities by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Securities 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 Securities 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 Securities 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 Securities 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 relevant Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to holders of the Securities who are individuals or legal entities not resident in Spain for tax purposes who act with respect to the Securities 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 Securities, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Securities, 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 Securities, in the manner described in section "Simplified information procedures" as laid down in section 44 of Royal Decree 1065/2007.

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

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 3.5%.

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

If the exemptions outlined do not apply, individuals who are not resident in Spain for tax purposes 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.

In addition to the above, the so-called "Solidarity Tax" was approved in December 2022, which is two-year direct wealth tax that applies, in general terms and under certain conditions, to those Non-Spanish tax resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory when the highest value of their assets and rights are located, can be exercised or must be fulfilled on an autonomous region were the Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarra, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarra.

The rates of the "Solidarity Tax" are the following:

Taxable base up to (Euros)	Tax due (Euros)	Rest of taxable base (Euros)	Rate
0.00	0.00	3,000,000.00	0%
3,000,000.00	0.00	2,347,998.03	1.7%
5,347,998.03	39,915.97	5,347,998.03	2.1%
10,695,996.06	152,223.93	Any excess	3.5%

Note that the regulation lays down a minimum exempt amount of €700,000 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3,700,000. The Solidarity Tax Law allows the Spanish Wealth Tax amount payable to be deducted from the Solidarity Tax.

Whilst the Solidarity Tax was initially established for a 2-year period (2022 and 2023), it has been extended indefinitely.

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

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

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Securities 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 not resident for tax purposes in 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.

Non-Spanish resident legal entities which acquire ownership or other rights over the Securities 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.

### **Simplified information procedures**

As described above, interest and other income paid with respect to the Securities will be exempt from Spanish withholding tax if the procedures for delivering to the relevant Issuer the information set forth in Royal Decree 1065/2007 are complied with.

The information obligations to be complied with in order to apply the exemption are those laid down in Section 44 of Royal Decree 1065/2007 ("**Section 44**").

- (a) *In respect of the Global Securities* – In accordance with Section 44 paragraph 5, before the close of business on the Business Day (as defined in the Conditions of the Notes and in the Conditions of the Covered Bonds) immediately preceding the date on which any payment of interest, principal or any amounts in respect of the early redemption of the Securities (each, a "**Payment Date**") is due, the relevant Issuer must receive from the Principal Paying Agent the following information about the Securities:
- (i) identification of the Securities;
  - (ii) income payment date (or refund if the Securities are issued at a discount or segregated);
  - (iii) total amount of income (or total amount to be refunded if the Securities are issued at a discount or segregated); and
  - (iv) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside of Spain.

In particular, the Principal Paying Agent must certify the information above about the Securities by means of a certificate, on the prescribed form.

In light of the above, the Issuers and the Principal Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Securities by the close of business on the Business Day immediately preceding each relevant Payment Date.

If the procedures set out above are complied with, the Principal Paying Agent, on behalf of the relevant 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 relevant Issuer as described above, the relevant Issuer shall pay such additional amounts as required under terms of the Securities and pay an appropriate amount to the Spanish Tax Authorities to the extent required to comply with its obligations with respect thereto. The 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 Issuers and the Principal Paying Agent will implement such procedures as may be required to enable the Issuers to comply with its obligations under applicable legislation as clarified by the Spanish Tax Authorities. The Issuers undertake to ensure that the Holders are informed of such new procedures and their implications.

- (b) *In respect of the Book-entry Securities* – In accordance with Section 44 paragraph 4, certain information with respect to the Book-entry Securities must be submitted by the Iberclear Members that have the Book-

entry Securities registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, in a timely manner (i.e. before the close of business on the Business Day immediately preceding the date on which any payment of interest, principal or any amount in respect of the early redemption of the Book-Entry Securities is due) in the form of a duly executed and completed statement which shall include the following information:

- (i) Identification of the Book-Entry Securities;
- (ii) Date on which relevant payment is made;
- (iii) Total amount of the income paid by the Issuer;
- (iv) Amount of the income corresponding to individuals resident in Spain that are ITT payers; and
- (v) Amount of the income that must be paid on a gross basis.

If the relevant information is not received by the Issuer on each Payment Date, the Issuer will withhold tax at the then-applicable rate (as at the date of this Base Prospectus, 19%) from any payment in respect of the relevant Book-Entry Securities as to which the required information has not been provided. The Issuer will not pay any additional amounts with respect to any such withholding.

Paragraph 8 of Section 44 of Royal Decree 1065/2007 establishes an obligation for the relevant Issuer to disclose certain tax information to the Spanish Tax Authorities about those investors in the Securities who are Spanish IIT or CIT tax payers, or non-Spanish residents operating in Spain through a permanent establishment, and therefore the relevant Issuer may need to obtain and disclose certain information to the tax authorities in order to comply with its obligations under the applicable legislation.

#### **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. Each of the Issuers 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 the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, 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 Securities 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 relevant Issuer). However, if additional Securities (as described under "*Terms and Conditions of the Notes—Further Issues*" or "*Terms and Conditions of the European Covered Bonds (Premium)—Further Issues*", as applicable) that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities 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 Securities.

#### **The Spanish financial transactions tax**

The Spanish Parliament has approved Law 5/2020 of 15 October, on the financial transactions tax (*Ley del Impuesto sobre las Transacciones Financieras*) which entered into force on 16 January 2021. The Spanish FTT applies on the acquisition of shares (including transfer or conversion) of Spanish companies with a market capitalisation of more than €1 billion, at a tax rate of 0.2%. In principle, the Spanish FTT does not affect transactions involving bonds or similar instruments.

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



## 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 7 June 2024, agreed with the Issuers 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 Securities*" and "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the European Covered Bonds (Premium)*", as applicable. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Securities under or pursuant to the Programme Agreement prior to the closing of the issue of such Securities, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Securities. In this situation, the issuance of such Securities may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

### United States

The Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

The Securities in bearer form 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 Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Securities of the Tranche of which such Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons. 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 Securities 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 Securities within the United States or to, or for the account or benefit of, U.S. persons.

Accordingly, the Securities are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Until 40 days after the completion of the distribution of any Series of Securities, an offer or sale of such Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S.

### United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### ***Prohibition of sales to UK Retail Investors***

Unless the applicable Final Terms in respect of any Securities specifies the "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 Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms 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 UK domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the applicable Final Terms in respect of any Securities 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 Securities 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 Securities 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 relevant 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 Securities referred to in A to C above shall require the relevant 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 Securities to the public**" in relation to any Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities; and
- the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

### ***Prohibition of Sales to EEA Retail Investors***

Unless the applicable Final Terms in respect of any Securities 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 Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the applicable Final Terms in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, 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 Securities 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 that Member State except that it may make an offer of such Securities 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 relevant 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 Securities referred to in (A) to (C) above shall require the relevant 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 Securities to the public**" in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

## Japan

The Securities 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 Securities, 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

Each Dealer severally (and not jointly) has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities may not be offered or sold in Spain other than by institutions authorised under Law 6/2023, of 17 March, on the Securities Market and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the "**Securities Markets and Investment Services Law**"), Royal Decree 813/2023, of 8 November, on the legal regime applicable to investment services companies (*Real Decreto 813/2023, de 8 de noviembre, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*), as amended or replaced from time to time, and related legislation to provide investment services in Spain and in

accordance with the provisions of the Spanish Securities Markets and Investment Services Law and further developing legislation.

The Securities may not be offered, sold or distributed, nor may any subsequent resale of Securities be carried out in Spain, except in compliance with the provisions of the Prospectus Regulation and the Securities Markets and Investment Services Law.

### **Belgium**

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 Securities 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 Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Securities, directly or indirectly, to any Belgian Consumer.

### **Singapore**

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Securities will be offered pursuant to exemptions under the SFA. 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 Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, 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, or (b) to an accredited investor (as defined in 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

### **Switzerland**

The offering of the Securities 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 Securities.

### **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 Securities 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 Securities 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 Issuers nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers and the Dealers represents that Securities 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 update of the Programme by BCC was duly authorised by resolutions (i) of the shareholders of BCC dated 28 May 2024 and (ii) of the Board of Directors of BCC dated 28 May 2024.

The update of the Programme by Cajamar was duly authorised by resolutions (i) of the General Assembly (*Asamblea General*) of Cajamar dated 16 May 2024 and (ii) of the Board of Governors (*Consejo Rector*) of Cajamar dated 27 May 2024.

### Listing of Securities

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Base Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuers or the quality of the Securities. Investors should make their own assessment as to the suitability of investing in the Securities. The Issuers may request the Central Bank of Ireland to notify the approval of this Base Prospectus in accordance with Article 25 of the Prospectus Regulation to the competent authority in Spain, the CNMV, by providing them, *inter alia*, with certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

Such approval relates only to the Securities which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any member state of the European Economic Area.

Application has been made to Euronext Dublin for Securities issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on its regulated market and to be listed on the Official List. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II. It is expected that each Tranche of Securities to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin will be admitted separately as and when issued, subject only to the issue of a Global Security or Securities initially representing the Securities of such Tranche.

Application may also be made to AIAF for the Securities to be listed and admitted to trading on AIAF. AIAF is a regulated market for the purposes of MiFID II.

The Programme provides that Securities 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(s).

### 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 for inspection from the website of the Issuers ([www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/) and <https://www.cajamar.es/en/comun/informacion-corporativa/>, as applicable):

- (a) the bylaws (with an accurately reproduced English translation thereof) of each Issuer;
- (b) a copy of this Base Prospectus; and
- (c) any future prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Securities 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 Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Securities 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.

The Book-Entry Securities to be listed on a Spanish regulated market will be accepted for clearance through Iberclear. The ISIN for each Series of Securities allocated by Iberclear will be specified in the Applicable Transaction Terms. The address of Iberclear is Plaza de la Lealtad, nº 1, 28014 Madrid, Spain.

### **Conditions for determining price**

The price and amount of Securities to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Change**

There has been no material adverse change in the prospects of the Issuers since 31 December 2023.

There has been no significant change in the financial performance or trading position of the GCC Group since 31 March 2024.

### **Litigation**

Neither the Issuers nor any other member of the GCC 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 Issuers or the GCC Group.

### **Auditors**

The current auditors of the Issuers are KPMG Auditores, S.L., of Paseo de la Castellana, 259C, 28046 Madrid, Spain, independent auditors who are registered under number S0702 in the Official Register of Auditors (*Registro Oficial de Auditores de Cuentas*) with tax identification number (CIF) B-78510153, and member of the *Instituto de Censores Jurados de Cuentas de España*. KPMG Auditores, S.L. has audited the consolidated annual accounts of the GCC Group for the financial years ended 31 December 2022 and 31 December 2023.

### **Third Party Information**

The Issuers confirm that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Dealers transacting with the Issuers**

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 Issuers and their 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. The Dealers have received, or may in the future receive, customary fees and commissions for these transactions. Such investments and securities activities may involve securities and/or instruments of the Issuers or Issuers' affiliates. Certain of the Dealer or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers 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 Securities issued under the Programme. Any such short positions could adversely affect future trading prices of Securities 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.

## **ISSUERS**

### **Banco de Crédito Social Cooperativo, S.A.**

Paseo de la Castellana, 87,  
28046 Madrid  
Spain

### **Cajamar Caja Rural, Sociedad Cooperativa de Crédito**

Paseo de la Castellana, 87,  
28046 Madrid  
Spain

## **PRINCIPAL PAYING AGENT**

### **Deutsche Bank AG, London Branch**

21 Moorfields  
London EC2Y 9DB  
United Kingdom

## **REGISTRAR and TRANSFER AGENT**

### **Deutsche Bank Luxembourg S.A.**

2, Boulevard Konrad Adenauer, L-1115 Luxembourg,  
Luxembourg

## **LOCAL PAYING AGENT**

### **Banco de Crédito Social Cooperativo, S.A.**

Paseo de la Castellana, 87,  
28046 Madrid  
Spain

### **Cajamar Caja Rural, Sociedad Cooperativa de Crédito**

Paseo de la Castellana, 87,  
28046 Madrid  
Spain

## **LEGAL ADVISERS**

*To the Issuers as to English and Spanish law*

### **Linklaters, S.L.P.**

Calle de Almagro, 40  
28010, Madrid  
Spain

*To the Dealers as to English and Spanish law*

### **Clifford Chance, S.L.P.**

Paseo de la Castellana, 110  
28046 Madrid  
Spain

## **AUDITORS**

### **KPMG Auditores, S.L.**

Paseo de la Castellana, 259C  
28046 Madrid  
Spain

## **DEALERS**

### **Banco Bilbao Vizcaya Argentaria, S.A.**

Ciudad BBVA  
Calle Azul 4  
28050 Madrid  
Spain

### **Banco Santander, S.A.**

Ciudad del Grupo Santander  
Avda. De Cantabria s/n  
28660 Boadilla del Monte  
Madrid  
Spain

### **Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
D02 RF29  
Ireland

### **BofA Securities Europe SA**

51 rue La Boétie  
75008 Paris  
France

### **Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main  
Germany

### **Crédit Agricole Corporate and Investment Bank**

12, Place des Etats-Unis  
CS 70052  
92547 MONTROUGE  
CEDEX  
France

### **Deutsche Bank Aktiengesellschaft**

Mainzer Landstr. 11-17  
60329 Frankfurt am Main  
Germany

### **Goldman Sachs Bank Europe SE**

Marientum  
Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

### **HSBC Continental Europe**

38, avenue Kléber  
75116 Paris  
France

### **J.P. Morgan SE**

Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
Germany

### **Morgan Stanley Europe SE**

Grosse Gallusstrasse 18  
60312 Frankfurt am Main  
Germany

### **Natixis**

7 promenade Germaine Sablon  
75013 Paris  
France

### **Nomura Financial Products Europe GmbH**

Rathenauplatz 1  
60313, Frankfurt-am-Main  
Germany

### **Norddeutsche Landesbank – Girozentrale –**

Friedrichswall 10  
30159 Hannover  
Germany

### **Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

### **UBS Europe SE**

Bockenheimer Landstraße 2-4  
60306 Frankfurt am Main  
Germany



**LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**

2, Boulevard Konrad Adenauer, L-1115 Luxembourg,  
Luxembourg