

## INFORMATION MEMORANDUM DATED 14 JUNE 2023



**SANTANDER CONSUMER FINANCE, S.A.**

**EUR 10,000,000,000**

### **EURO-COMMERCIAL PAPER PROGRAMME**

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) for Euro-commercial paper notes (the “**Notes**”) issued during the twelve months after the date of this document under the EUR 10,000,000,000 Euro-commercial paper programme (the “**Programme**”) of Santander Consumer Finance, S.A. described in this document to be admitted to the official list of Euronext Dublin (the “**Official List**”) and trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”).

This Information Memorandum does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”) on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and has not been, and will not be, approved as complying with the Prospectus Regulation.

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand (see “*Risk Factors*” on pages 1 to 34 of this Information Memorandum).

Potential purchasers should note the statements on pages 164 to 174 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014, of 26 June on regulation, supervision and solvency of credit institutions (“**Law 10/2014**”), on the Issuer relating to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information regarding the Notes is not received by the Issuer in a timely manner.

*Arranger*

Barclays

*Dealers*

Barclays

BNP PARIBAS

Commerzbank

Goldman Sachs Bank Europe SE

ING

Natixis

Rabobank

SEB

UBS Investment Bank

BofA Securities

Citigroup

Crédit Agricole CIB

HPC

J.P. Morgan

NatWest Markets

Santander Corporate & Investment Banking

SOCIÉTÉ GÉNÉRALE

## IMPORTANT NOTICE

*The language of the information memorandum 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.*

This Information Memorandum (together with any supplementary information memorandum and any documents incorporated by reference, the “**Information Memorandum**”) contains summary information provided by Santander Consumer Finance, S.A. (the “**Issuer**”) in connection with the Programme under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the “**Notes**”) up to a maximum aggregate amount of EUR 10,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (“**Regulation S**”) of the United States Securities Act of 1933, as amended (the “**Securities Act**”) to persons that are not U.S. Persons (as defined in Regulation S (“**U.S. Persons**”). The Issuer has, pursuant to a dealer agreement dated 14 June 2023 (the “**Dealer Agreement**”), appointed Barclays Bank Ireland PLC as arranger for the Programme (the “**Arranger**”), appointed Banco Santander S.A., Bank of America Europe DAC, Barclays Bank Ireland PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Market Limited, Commerzbank Aktiengesellschaft, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, Goldman Sachs Bank Europe SE, HPC, S.A., ING Bank N.V., J.P. Morgan SE, Natixis, NatWest Markets N.V., Skandinaviska Enskilda Banken AB (publ), Société Générale and UBS Europe SE as dealers for the Notes (together with the Arranger, the “**Dealers**”) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer, the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in a final terms document (the form of which is contained herein) (each the “**Final Terms**”) which will be attached to the relevant form of Note (see “*Forms of Notes*”). Each Final Terms will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes, which are set out in the form of Note (as appropriate). The relevant Final Terms are also a summary of the terms and conditions of the Notes for the purposes of listing. Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office set out below of the Issue and Paying Agent (as defined below).

The Issuer has confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true, accurate and complete in all material respects and is not misleading and there are no other facts in relation thereto the omission of which would in the context of the Programme or the issue of the relevant Notes make any statement in the Information Memorandum misleading in any material respect, and all reasonable enquiries have been made to verify the foregoing and the opinions and intentions expressed therein are honestly held and, in relation to each issue of Notes agreed as contemplated in the Dealer Agreement to be issued and subscribed, the Information Memorandum together with the relevant Final Terms contains all the information which is material in the context of the issue of such Notes. For the avoidance of doubt, unless specifically incorporated by reference into this Information Memorandum, information contained on any website referred to in this Information Memorandum does not form part of this Information Memorandum.

Neither the Arranger nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term Paper published by Euronext Dublin. This Information Memorandum should be read and construed with any supplemental Information Memorandum, any Final Terms and with any other document incorporated by reference.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer and the companies whose accounts are consolidated with those of the Issuer (together, the “**Consumer Group**”) or the Notes other than as contained or incorporated by reference in this Information Memorandum, in the Dealer Agreement (as defined herein), in any other document prepared in connection with the Programme or in any Final Terms or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers or any of them.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, any Final Terms or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum or any Final Terms is not and should not be construed as a recommendation by the Arranger, the Dealers or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Final Terms.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum or any Final Terms of any information or change in such information coming to the Arranger’s or any Dealer’s attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or any Final Terms or its or their distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes and the Issuer set out under “*Subscription and Sale*” below.

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (“REGULATION S”)) (“U.S. PERSONS”) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.**

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is a criminal offense in the United States.

The Issuer has undertaken, in connection with the admission to listing of the Notes on the Official List and the admission to trading of the Notes on the regulated market of Euronext Dublin, that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the terms and conditions of the Notes, that is material in the context of the issuance of Notes under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with

any subsequent issue by the Issuer of Notes to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Any such supplement to this Information Memorandum will be subject to the approval of Euronext Dublin prior to its publication.

This Information Memorandum describes certain Spanish tax implications and tax information procedures in connection with an investment in the Notes (see “*Risk Factors – Risks in Relation to the Notes – Risks in Relation to Spanish Taxation*”, “*Taxation – Taxation in Spain*” and Exhibit 1). Holders of Notes (the “ **Holders**”) must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

This Information Memorandum contains references to the ratings of the Programme. Where a Series of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's Investors Service España, S.A. (“**Moody's**”), Fitch Ratings Ireland Limited (“**Fitch**”) or S&P Global Ratings Europe Limited (“**S&P Global**”). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, modification or withdrawal at any time by the relevant rating agency.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and 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. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 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.

#### **MiFID II Product Governance / Target Market**

Solely for the purposes of the Issuer's product approval process in respect of a particular Note issue, the target market assessment in respect of any of the Notes to be issued of this Programme has led to the conclusion that (i) the target market for the Notes is eligible counterparties and professional clients only, each as specified in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the Issuer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer's target market assessment) and determining appropriate distribution channels.

Solely by virtue of appointment as Arranger or Dealer, as applicable, on this Programme, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of EU Delegated Directive 2017/593.

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

### **UK MiFIR Product Governance / Target Market**

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

Solely by virtue of appointment as Arranger or Dealer, as applicable, on this Programme, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of UK MiFIR Product Governance Rules.

Amounts payable under the Notes may be calculated or otherwise determined by reference to a reference rate or an index or a combination of indices and amounts payable on the Notes issued under the Programme may in certain circumstances be determined in part by reference to such reference rates or indices. Any such reference rate may constitute a benchmark for the purpose of Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) or Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”), as applicable. If any such reference rate does constitute a benchmark, the Notes will indicate whether or not the benchmark is provided by an administrator included in the FCA’s register of administrators and benchmarks under Article 36 (Register of administrators and benchmarks) of the UK Benchmarks Regulation (the “**FCA Register**”) or ESMA’s register of administrators and benchmarks under Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation (the “**ESMA Register**”). Not every reference rate will fall within the scope of the UK Benchmarks Regulation or the EU Benchmarks Regulation. Transitional provisions in the UK Benchmarks Regulation and the EU Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the FCA Register or the ESMA Register, as applicable, at the date of the relevant terms (or, if located outside the UK or EU (as applicable), recognition, endorsement or equivalence). The registration status of any administrator under the UK Benchmarks Regulation or the EU Benchmarks Regulation is a matter of public record and, save where required by the applicable law, the Issuers do not intend to update the applicable terms to reflect any change in the registration status of the administrator.

### **Notices**

**Notification under Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)** - Unless otherwise stated in the applicable Final Terms, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”)).

### **Interpretation**

In the Information Memorandum, references to “**euro**”, “**EUR**” and “**€**” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended; references to “**Sterling**” and “**£**” are to pounds sterling; references to “**U.S. Dollars**” and “**U.S.\$**” are to United States dollars; references to “**Swiss Francs**” and “**SFr**” are to Swiss francs; references to “**Swedish Kronor**” and “**SEK**” are to Swedish kronor; references to “**Norwegian Kroner**” and “**Nkr**” are to Norwegian kroner; references to “**Danish Kroner**” and “**Dkr**” are to Danish kroner; and references to “**Polish Zloty**” and “**PLN**” are to Polish zloty.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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## RISK FACTORS

*An investment in the Notes may involve a high degree of risk. In purchasing Notes, investors assume the risk that the Issuer may be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Information Memorandum a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes and are classified by categories. In each category the most material risk factors are mentioned first.*

*In addition, factors which are material for the purpose of assessing the market risk associated with Notes issued under the Programme are detailed below. The factors discussed below regarding the risks of acquiring or holding any Notes are not exhaustive, and additional risks and uncertainties that are not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Notes.*

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

### **1. Macro-Economic and Political Risks**

*The growth, asset quality and profitability of the Consumer Group, among others, may be adversely affected by a slowdown in one or more of the economies in which the Consumer Group operates, as well as volatile macroeconomic and political conditions.*

A slowdown or recession of one or more of the economies in which the Consumer Group operates, such as the severe recession faced by most world economies as a result of Covid-19 pandemic during 2020, could lead major financial institutions, including some of the world's largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies to experience significant difficulties, including runs on deposits, the need for government aid or assistance or the need to reduce or cease providing funding to borrowers (including to other financial institutions).

Volatile conditions in the global financial markets could also have a material adverse effect on the Consumer Group, including on the ability of the Consumer Group to access capital and liquidity on financial terms acceptable to the Consumer Group, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the Consumer Group may be forced to raise the rates it pays on deposits to attract more customers and become unable to maintain certain liability maturities. Any such increase in capital markets funding availability or costs or in deposit rates could have a material adverse effect on its interest margins and liquidity.

In particular, the Consumer Group faces, among others, the following risks related to the economic downturn and volatile conditions:

- (i) Reduced demand for its products and services.
- (ii) Increased regulation of its industry. Compliance with such regulation will continue to increase the Consumer Group's costs and may affect the pricing for its products and services, increase its conduct and regulatory risks related to non-compliance and limit its ability to pursue business opportunities.
- (iii) The process the Consumer Group uses to estimate losses inherent to its credit exposure requires complex judgements, including forecasts of economic conditions and how these economic conditions might impair the ability of its borrowers to repay their loans. The degree of uncertainty concerning economic conditions may adversely affect the accuracy of its estimates, which may, in turn, impact the reliability of the process and the sufficiency of its loan loss allowances.
- (iv) Inability of the Consumer Group's borrowers to timely or fully comply with their existing obligations. Macroeconomic shocks may negatively impact the household income of the Consumer Group's retail customers and may adversely affect the recoverability of its retail loans, resulting in increased loan losses.
- (v) The value and liquidity of the Consumer Group's portfolio of investment securities may be adversely affected.

The recoverability of the loan portfolios of the Consumer Group and its ability to increase the amount of loans outstanding and its results of operations and financial condition in general, are dependent on a significant extent on the level of economic activity in continental Europe. See risk factor '*The credit quality of the loan portfolio of the Consumer Group may deteriorate and the Consumer Group's loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Consumer Group*'.

In addition, the Consumer Group is exposed to sovereign debt from certain regions (for more information on its exposure to sovereign debt, see note 7 to the 2022 Audited Consolidated Financial Statements). The balance at 31 December 2022 of the "Foreign Government Debt" corresponds mainly to Italian Treasury Bonds acquired by Santander Consumer Finance, S.A for €1,157,907 thousand and Finnish, Belgian and Norwegian Treasury Bonds acquired by the subsidiary Santander Consumer Bank AS (Norway) for €43,672 thousand, €72,477 thousand and €70,896 thousand, respectively, German, Italian, Luxembourgish, Belgian and French Treasury Bonds purchased by the Germany subsidiaries Santander Consumer Bank AG for €1,583,068 thousand, €718,290 thousand, €222,574 thousand, €316,592 thousand and €268,148 thousand respectively, and Italian Treasury Bonds purchased by the Italian subsidiaries Santander Consumer Bank S.p.A. and Banca PSA Italia S.p.A. for €448,845 thousand.

Recessionary conditions in the economies of Europe in which the Consumer Group operates, would likely have a significant adverse impact on its loan portfolio and sovereign debt holdings and, as a result, on its financial condition, cash flows and results of operations.

The revenues of the Consumer Group is also subject to risk of deterioration from unfavourable political and diplomatic developments, social instability, international conflicts, and changes in governmental policies, including expropriation, nationalization, international ownership legislation, sanctions, interest-rate caps, fiscal and monetary policies globally.

For the year ending 31 December 2022, attributable profit amounted to €1,242.9 million (a 5.8% increase with respect to 2021). By lines, the gross income remained in line with the previous year, with an increase in net interest income (+0.4%) and other operating income. Operating expenses grew by 4.9% due to inflation, strategic investments to increase future income and reduce operating expenses and new businesses. The efficiency ratio (cost to income) stands at 41.87% at the end of the year (+11 bp over 2021). Provisions for bad debts have been 9% lower than the previous year, supported by portfolio sales. Credit quality maintains a solid evolution, with a cost of credit of 0.42% (-8 bp year-on-year) and a non-performing loan ratio of 2.06% (-0 bp).

In particular, the main regions where the Consumer Group operates are subject to the following macroeconomic and political conditions, which could have a material adverse effect on its business, results of operations, financial condition and prospects:

- Governmental and regulatory authorities throughout the world, particularly in Europe and the United States, have implemented fiscal and monetary policies and initiatives in response to the adverse effects of the Covid-19 pandemic on the economy, individual businesses and households. These fiscal and monetary policy measures accelerated the economic recovery in 2021 but in turn significantly increased public debt and introduced risks of economic overheating in certain countries. In 2022, inflationary pressures intensified due to a number of factors, including the revitalisation of demand for consumer goods, labour shortages, supply chain issues and the rise of the prices of energy, oil, gas and other commodities exacerbated by the war in Ukraine. In an effort to contain inflation, central banks have increased interest rates contributing to a slowdown of the global economy. Among the risks that could negatively affect the economies and financial markets of the regions where the Consumer Group operates and lead to a further slowdown of the global economy, recession and/or stagflation are (i) the continuance or escalation of the war in Ukraine; (ii) further increases in the prices of energy and other commodities that can lead to further inflationary pressures; (iii) the continued breakdown of global supply chains; and (iv) the tightening of monetary and fiscal policies, including rising interest costs.
- In October 2022, the expansionary fiscal policy measures announced by the Prime Minister of the UK in a scenario of high inflation and restrictive monetary policy triggered a crisis of confidence which resulted in sharp falls in government bond prices and rising yields leading to massive purchases of debt by the Bank of England. If the market volatility that was experienced were to be repeated and spread to other regions, it could generate a financial crisis that could have a material adverse impact on the financial sector, affecting the Consumer Group's operating results, financial position and prospects.



- The risk of returning to a fragile and volatile environment and to heightened political tensions in Europe exists if, among others, the policies implemented to provide emergency assistance and support to Ukraine and in the EU countries to alleviate the consequences of the war, to provide relief to the economies most affected by the Covid-19 pandemic and to contain inflation do not succeed, the reforms aimed at improving productivity and competition fail, the banking union and other measures of European integration do not take hold or anti-European groups become more widespread. Furthermore, increasing public debt levels together with rising interest costs may not be sustainable, which could lead certain countries into sovereign debt crises. A deterioration of the economic and financial environment in Europe could have a material adverse impact on the financial sector, affecting the Consumer Group's operating results, financial position and prospects.
- Growing protectionism and trade tensions, such as the tensions between the United States and China in recent years, could have a negative impact on the economies of the countries where the Consumer Group operates, which would also impact its operating results, financial condition and prospects.
- China's deceleration based on structural low economic growth coupled with real estate distress and slow population growth could negatively affect the world economy which would also impact the Consumer Group's operating results, financial condition and prospects.
- The economies of some of the countries where the Consumer Group operates, particularly in Latin America, have experienced significant volatility in recent decades. This volatility resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which the Consumer Group lends. In addition, some of the countries where the Consumer Group operates are particularly affected by commodities price fluctuations, which in turn may affect financial market conditions through exchange rate fluctuations, interest rate volatility and deposits volatility. In addition, the Consumer Group is exposed to variations in its net interest income or in the fair value of its assets and liabilities resulting from exchange rate fluctuations. In particular, the fiscal instability and political tensions in Brazil and Mexico, and the financial volatility in Argentina could have a negative impact on the economy of these countries and may have a material adverse effect on the Consumer Group.

The effects of the semiconductor shortage have extended beyond the auto sector, with other industrial players struggling to secure chips. That highlights the fragility of those supply chains, which largely rely on Asia as a hub of semiconductor manufacturing. Some trade routes are also currently closed. Moreover, shortages now also affect wire harnesses, for which Ukraine was a major manufacturer, and Russian Palladium. Many automakers are now operating in crisis mode and new car sales are suffering from this scarcity. Used car sales are partially compensating this gap, and prices have sharply increased.

On the other hand, cars demand may suffer from high inflation and interest rates, closing the supply-demand gap at lower levels. These trends would subside as bottlenecks disappear and inflation returns to more usual levels.

*The UK's withdrawal from the European Union has led to disruptions in the Consumer Group's UK-based operations that could have a material adverse effect on the operations, financial condition and prospects of the Consumer Group.*

On 31 January 2020, the UK ceased to be a member of the EU ("**Brexit**"), on withdrawal terms that established a transition period until 31 December 2020. During the transition period, the UK continued to be treated as an EU member state and applicable EU legislation continued to be in force. A trade deal was agreed between the UK and the EU prior to the end of the transition period and the new regulations came into force on 1 January 2021.

The trade deal, however, did not include agreements on certain areas, such as financial services and data adequacy. The wider impact of the UK's withdrawal from the EU on financial markets through market fragmentation, reduced access to finance and funding, and lack of access to certain financial market infrastructure, may affect the operations, financial condition and prospects of the Consumer Group and those of its customers.

Uncertainty also remains around the effect of the UK's withdrawal from the EU on the UK's economic recovery from the Covid-19 pandemic, as Brexit exacerbated global pandemic-related supply and labour market constraints and reduced economic output and exports as businesses attempt to adapt the new cross-

border procedures and rules applicable in the UK and in the EU to their activities, products, customers and suppliers.

While the longer-term effects of the UK's withdrawal from the EU are difficult to assess, there is ongoing political and economic uncertainty, such as (i) increased friction with the EU and EU countries; (ii) the possibility of second referendum on Scottish independence from the UK; and (iii) instability in Northern Ireland derived from the UK proposal to replace the current Northern Ireland protocol agreed with the EU, which could negatively affect UK's Consumer Group customers and counterparties and have a material adverse effect on the operations, financial conditions and prospects of the Consumer Group.

## 2. Risks relating to the Issuer and the Consumer Group business

### *Legal, regulatory and compliance risks to the business model of the Consumer Group*

*The Consumer Group is exposed to the risk of loss from legal and regulatory proceedings.*

The Consumer Group faces risk of loss from legal and regulatory proceedings, including tax proceedings that could subject it to monetary judgements, regulatory enforcement actions, fines and penalties. The current regulatory and tax enforcement environment in the jurisdictions in which the Consumer Group operates reflects an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, and may lead to material operational and compliance costs.

The Consumer Group is from time to time subject to regulatory investigations and civil and tax claims, and party to certain legal proceedings incidental to the normal course of its business, including in connection with conflicts of interest, lending securities and derivatives activities, relationships with its employees and other commercial or tax matters. In view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, the Consumer Group cannot state with certainty what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be.

As at 31 December 2022, the main legal proceedings affecting the Consumer Group are as follows:

- Mortgage portfolio in Swiss francs (“CHF”) in Poland: on October 3, 2019, the Court of Justice of the European Union (“CJEU”) resolved a preliminary ruling in relation to legal proceedings instituted against a bank unrelated to the Issuer and the Consumer Group, declaring abusive certain clauses in the loan contracts indexed to CHF. The CJEU has left in the hands of the Polish courts the decision regarding whether the contract can subsist without the abusive clause, for which they must in turn decide if the effects of the cancellation of the contract are detrimental to the consumer. In case of subsistence of the contract, the court may only integrate it with supplementary provisions of national law and decide, according to them, the applicable rate.

As of December 31, 2022, the Issuer presents a portfolio of mortgages denominated in or indexed to CHF for an approximate amount of PLN 1,891 million (€404 million). On the same date, there is a provision in the amount of PLN 745 million (€159 million) to cover the CHF mortgage portfolio.

In December 2020, the Chairman of the Financial Supervisory Authority (hereinafter “KNF”) announced a high-level proposal for voluntary agreements between banks and borrowers under which Swiss franc-denominated loans would be subject to settlement as loans in PLN with interest referenced to the WIBOR rate plus the corresponding margin. The Issuer has been testing the KNF proposal in relation to different client groups in parallel with its own settlement solutions. The results of the current tests have been incorporated into the provision calculation model.

On February 16, 2023, the CJEU General Advocate (“AG”) issued his opinion in case no. C-520/21 pending before the CJEU, concerning the right of the parties to exercise claims that go beyond the reimbursement of the monetary benefit of a loan contract in Swiss francs that has been declared null. In the opinion of the AG, Directive 93/13/EEC (the “**Unfair Contracts Term Directive**”) does not prevent consumers from exercising additional claims against the bank as a result of the declaration of invalidity, but the legitimacy of such claims should be decided by national courts from Poland. With respect to the claims of the banks, the AG's opinion is that the Unfair Contracts Term Directive prevents the Issuer from exercising additional claims against the consumer as a consequence of such a declaration of nullity. The opinion is not binding and does not definitively resolve these issues, a CJEU ruling in this case is expected in 2023. As of the date

of the consolidated annual accounts, it is not possible to predict a reliable estimate of the potential impact for the Consumer Group if the CJEU were to assume AG's opinion.

The Consumer Group integrates its participation in Santander Consumer Bank, S.A. (Poland) by the equity method, being its percentage of participation in it as of December 31, 2022 and 2021 40%.

- Provisions for other operating risks include mainly provisions for risks derived from the business operations of Consumer Group companies, the most significant amounts as of December 31, 2022 corresponding to those registered in Santander Consumer S.A. for an amount of €27,107 thousand (€18,394 thousand at December 31, 2021), Santander Consumer Bank, A.G. (Germany) for the amount of €12,367 thousand (€17,855 thousand at December 31, 2021) and Santander Consumer Bank A.S. (Norway) in the amount of €14,400 thousand (€149 thousand at December 31, 2021).
- Provisions for restructuring include only the expenses derived from restructuring processes carried out by the different entities of the Consumer Group. During 2020 and 2021, the Consumer Group carried out different restructuring processes in some companies to adapt the business to the current market conditions in said geographies. In these cases, the Consumer Group companies offer their employees the possibility of leaving by means of early retirement offers and incentivized redundancies. As of December 31, 2022, the outstanding balance for this concept corresponds mainly to the companies Santander Consumer Bank, A.G. (Germany), for the amount of €15,678 thousand (€25,917 thousand at December 31, 2021), and Compagnie Generale de Credit Aux Particuliers - Credipar S.A. (France), which amounts to €1,898 thousand (€2,312 thousand at December 31, 2020).

The Consumer Group's general policy consists of recording provisions for processes of a tax and legal nature in which the risk of loss is assessed as probable and no provisions are recorded when the risk of loss is possible or remote. The amounts to be provisioned are calculated in accordance with the best estimate of the amount necessary to settle the corresponding claim, based, among other things, on an individualized analysis of the facts and legal opinions of internal and external advisors or taking into consideration the historical average figure of losses derived from claims of this nature. The final date for the outflow of resources that incorporate economic benefits for the Consumer Group depends on each of the obligations. In some cases, the obligations do not have a fixed settlement term and, in other cases, they depend on ongoing legal processes.

	EUR Thousands	
	2022	2021
Provision for taxes	7,862	7,655
Provisions for other proceedings of a legal nature	2,227	1,921
Provisions for operational risks	65,107	49,935
Provisions for restructuring	18,097	32,188
Other	43,698	51,910
<b>Total</b>	<b>136,991</b>	<b>143,609</b>

*The Consumer Group is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition.*

As a financial institution, the Consumer Group is subject to extensive regulation, which materially affects its businesses. In Spain and the other jurisdictions where the Consumer Group operates, there is continuing political, competitive and regulatory scrutiny of the banking industry. Political involvement in the regulatory process, in the behaviour and governance of the banking sector and in the major financial institutions in which the local governments have a direct financial interest and in their product and services, and the prices and other terms they apply to them, is likely to continue. Therefore, the statutes, regulations and policies to which the Consumer Group is subject may be therefore changed at any time. In addition, the interpretation and the application by regulators of the laws and regulations to which the Consumer Group is subject, may also change from time to time. Extensive legislation and implementing regulation

affecting the financial services industry has recently been adopted in regions that directly or indirectly affect the Consumer Group's business, including Spain, the European Union, and other jurisdictions, and further regulations are in the process of being implemented. The manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. Moreover, to the extent these regulations are implemented inconsistently in the various jurisdictions in which the Consumer Group operates, it may face higher compliance costs. Any legislative or regulatory actions and any required changes to its business operations resulting from such legislation and regulations, as well as any deficiencies in its compliance with such legislation and regulation, could result in significant loss of revenue, limit its ability to pursue business opportunities in which the Consumer Group might otherwise consider engaging and provide certain products and services, affect the value of assets that it holds, require the Consumer Group to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Consumer Group or otherwise adversely affect its businesses.

In particular, legislative or regulatory actions resulting in enhanced prudential standards, in particular with respect to capital and liquidity, could impose a significant regulatory burden on the Issuer or on its Issuer subsidiaries and could limit the Issuer's subsidiaries' ability to distribute capital and liquidity to the Issuer, thereby negatively impacting the Issuer. Future liquidity standards could require the Issuer to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect its net interest margin. Moreover, the regulatory and supervisory authorities periodically review the Issuer's allowance for its loan losses.

Such regulators may recommend the Issuer to increase its allowance for loan losses or to recognise further losses. Any such additional provisions for loan losses, as recommended by these regulatory agencies, whose views may differ from those of the Issuer's management, could have an adverse effect on the Issuer's earnings and financial condition. Accordingly, there can be no assurance that future changes in regulations or in their interpretation or application will not adversely affect the Consumer Group.

The wide range of regulations, actions and proposals which most significantly affect the Consumer Group, or which could most significantly affect the Consumer Group in the future, relate to capital requirements, funding and liquidity, and development of a fiscal and banking union in the EU, which are discussed in further detail below. These and other regulatory reforms adopted or proposed in the wake of the financial crisis have increased and may continue to materially increase the Consumer Group's operating costs and negatively impact its business model. Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis.

In addition, on 18 April 2023, the European Commission adopted a legislative package proposal to adjust and strengthen the European Union's existing bank crisis management and deposit insurance framework (the "**CMDI Proposal**"). The package implies the review of the BRRD and SRM Regulation frameworks as well as a separate legislative proposal to amend Directive 2014/49/EU, of 16 April, on deposit guarantee schemes ("**Directive 2014/49**"), all with the aim of preserving financial stability, protecting taxpayers' money and providing better protection for depositors (including new rules that foresee that all deposits relative to ordinary unsecured claims are preferred). However, the CMDI Proposal is subject to further discussion by the European Parliament and the Council and, as of the date of this Information Memorandum, there is a high degree of uncertainty with regards to the proposed adjustments and when they will be finally implemented in the European Union. Therefore, the exact impact of these adjustments and the potential effects on the Issuer cannot be assessed yet.

In addition, the volume, granularity, frequency and scale of regulatory and other reporting requirements necessitate a clear data strategy to enable consistent data aggregation, reporting and management. Inadequate management information systems or processes, including those relating to risk data aggregation and risk reporting, could lead to a failure to meet regulatory reporting requirements or other internal or external information demands and the Consumer Group may face supervisory measures as a result. The main regulations and regulatory and governmental oversight that can adversely impact the Consumer Group include but are not limited to the items below.

*Increasingly stricter capital regulations and potential requirements could have an impact on the functioning of the Consumer Group and its businesses.*

Increasingly onerous capital requirements constitute one of the Issuer's main regulatory challenges. Increasing capital requirements may adversely affect the Issuer's profitability and create regulatory risk associated with the possibility of failure to maintain required capital levels.

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 “*Regulation—Capital, liquidity and funding requirements*”). This aimed 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 redefines available capital at financial institutions (including new deductions and raising the requirements for eligible equity Notes), tightens the minimum capital requirements, compels financial institutions to operate permanently with surplus capital (capital “buffers”), and includes new requirements for the risks considered.

The amendments to the solvency requirements of credit institutions and various transparency regulations, from the practical standpoint, grant priority to high-quality capital (Common Equity Tier 1 or “CET1”), introducing stricter eligibility criteria and more stringent ratios, in a bid to guarantee higher standards of capital adequacy in the financial sector.

The ECB is required under Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions to carry out a supervisory review and evaluation process (the “SREP”) at least on an annual basis.

In connection with this, the Issuer was informed by the ECB on 16 December 2019 of its decision regarding prudential minimum capital requirements as of 1 January 2020, following the results of SREP (the “**2019 SREP Decision**”). The 2019 SREP Decision required the Issuer to maintain a CET1 capital ratio of at least 7.89% on a consolidated basis. This 7.89% CET1 capital requirement includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2 requirement (0.84%); the capital conservation buffer (2.5%); and the counter-cyclical buffer (around 0.05%).

The Issuer was informed by the ECB on December 2022 of its decision regarding prudential minimum capital requirements (which are the same requirements as in 2022).

As of the date of this Information Memorandum, the CET1 applicable capital requirement is of at least 7.89% on a consolidated basis, which includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2 requirement (0.84%), the capital conservation buffer (2.5%; and the counter-cyclical buffer currently applicable (0.05%). As of March 2023, the Issuer’s total capital ratio was 16.44% on a consolidated basis (fully loaded) and the Issuer’s CET1 capital ratio was 12.00% on a consolidated basis (fully loaded) (data calculated without using the IFRS 9 transitional arrangements, since the Issuer incorporated the full day-1 impact on IFRS9 adoption).

In May 2022, the Bank of Spain communicated the minimum requirement for own funds and eligible liabilities (“MREL”) for the Issuer at consolidated level, as determined by the Single Resolution Board (“SRB”). This MREL requirement has been set at 20.13% of TREA (RWA) and 5.91% of LRE and should be complied with from 1 January 2024. Alongside the final MREL requirements, Bank of Spain (BoS) also informed the binding intermediate targets applicable as of 1 January 2022 which are equal to 19.47% of TREA and 5.91% of LRE.

The Issuer is part of the resolution group headed by Banco Santander, S.A., which is the resolution entity of the resolution group to which the Issuer belongs. In this regard, there can be no assurance that the application of the existing regulatory requirements, standards or recommendations will not require the Issuer to issue additional securities that qualify as own funds or eligible liabilities, to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Consumer Group’s business, results of operations and/or financial position.

Any failure by the Consumer Group to maintain its Pillar 1 minimum regulatory capital ratios and any Pillar 2 additional capital requirements could result in administrative actions or sanctions (including restrictions on Discretionary Payments, as defined in section “*Regulation – EU fiscal and banking union*”), which, in turn, may have a material adverse impact on the Consumer Group’s results of operations.

Moreover, it should not be disregarded that new and more demanding additional regulatory requirements, standards or recommendations may be applied in the future.

All the applicable regulations and the approval of any other regulatory requirements could have an adverse effect on the Consumer Group’s activities and operations. Therefore, these regulations could have a material adverse effect on the Consumer Group’s business, results of operations and/or financial position.

See “*Regulation—Capital, liquidity and funding requirements*” for additional information.

*The Consumer Group is subject to potential action by any of its regulators or supervisors, particularly in response to customer complaints.*

As noted above, the business and operations of the Consumer Group are subject to increasingly significant rules and regulations that are required to conduct banking and financial services business. These apply to business operations, affect financial returns, include reserve and reporting requirements, and prudential and conduct of business regulations. These requirements are set by the relevant central banks and regulatory authorities that authorize, regulate and supervise the Consumer Group in the jurisdictions in which it operates.

In their supervisory role, the 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 Consumer Group faces increased supervisory scrutiny (resulting in increasing internal compliance costs and supervision fees), and in the event of a breach of its regulatory obligations the Consumer Group is likely to face more stringent regulatory fines. Some of the 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 Consumer Group to charge certain levels of interest in credit transactions or in regulation that would prevent the Consumer Group from bundling products that it offers to its customers. Some of the laws in the relevant jurisdictions in which the Consumer Group operates, give the regulators the power to make temporary product intervention rules either to improve a firm's systems and controls in relation to product design, product management and implementation, or to address problems identified with financial products. These problems may potentially cause significant detriment to consumers because of certain product features or governance flaws or distribution strategies. Such rules may prevent institutions from entering into product agreements with customers until such problems have been solved. Some of the regulatory regimes in the relevant jurisdictions in which the Consumer Group operates, requires the Consumer Group to be in compliance across all aspects of its business, including the training, authorization and supervision of personnel, systems, processes and documentation. If it fails to comply with the relevant regulations, there would be a risk of an adverse impact on its business from sanctions, fines or other actions imposed by the regulatory authorities. Customers of financial services institutions, including Consumer Group's customers, may seek redress if they consider that they have suffered loss as a result of the mis-selling of a particular product, or through incorrect application of the terms and conditions of a particular product. Given the inherent unpredictability of litigation and the evolution of judgements by the relevant authorities, it is possible that an adverse outcome in some matters could harm the reputation of the Consumer Group or have a material adverse effect on its 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 its profitability.

*The Consumer Group is subject to review by tax authorities, and an incorrect interpretation of tax laws and regulations by the Consumer Group may have a material adverse effect on it.*

The preparation of the tax returns of the Consumer Group requires the use of estimates and interpretations of complex tax laws and regulations and is subject to review by tax authorities. The Consumer Group is subject to the income tax laws of Spain and the other jurisdictions in which it operates. 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 Consumer Group must make judgements and interpretations about the application of these inherently complex tax laws. If the judgement, estimates and assumptions the Consumer Group uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on Consumer Group's results of operations. In some jurisdictions, the interpretations of the tax authorities are unpredictable and frequently involve litigation, which introduces further uncertainty and risk as to tax expense.

*The Consumer Group may not be able to detect or prevent money laundering and other financial crime activities fully or on a timely basis, which could expose it to additional liability and could have a material adverse effect on it.*

The Consumer Group is required to comply with applicable anti-money laundering (“AML”), anti-terrorism, anti-bribery and corruption, sanctions and other laws and regulations applicable to it. These laws and regulations require the Consumer Group, among other things, 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 implemented financial crime policies and procedures detailing what is required from those responsible. The Consumer Group is also required to conduct AML training for its employees and to report suspicious transactions and activity to appropriate law enforcement following full investigation by Consumer Group's local AML team.

Financial crime has become the subject of enhanced regulatory scrutiny and supervision by regulators globally. AML, antiterrorism, anti-bribery and corruption and sanctions laws and regulations are increasingly complex and detailed. The Basel Committee is now introducing guidelines to strengthen the interaction and cooperation between prudential and AML or combating the financing of terrorism (“CFT”) supervisors. Compliance with these laws and regulations requires automated systems, sophisticated monitoring and skilled compliance personnel.

The Consumer Group maintains updated policies and procedures aimed at detecting and preventing the use of its banking network for money laundering and other financial crime related activities. However, emerging technologies, such as cryptocurrencies and block-chain, could limit the Consumer Group's ability to track the movement of funds. The ability of the Consumer Group to comply with the legal requirements depends on its capacity to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability. These require implementation and embedding within its business effective controls and monitoring, which in turn requires on-going changes to systems and operational activities. Financial crime is continually evolving and, as noted, is subject to increasingly stringent regulatory oversight and focus. This requires proactive and adaptable responses from the Consumer Group so that the Consumer Group is able to deter threats and criminality effectively. The Consumer Group is particularly exposed to this risk. Even known threats can never be fully eliminated, and there will be instances where the Consumer Group may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Consumer Group relies heavily on its employees to assist the Consumer Group by spotting such activities and reporting them, and its employees have varying degrees of experience in recognizing criminal tactics and understanding the level of sophistication of criminal organizations. Where the Consumer 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 Consumer 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.

If the Consumer 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 Consumer Group, including requiring a complete review of its business systems, day-to-day supervision by external consultants and ultimately the revocation of Consumer Group's banking license.

The reputational damage to the business of the Consumer Group and global brand would be severe if it were found to have breached AML, anti-terrorism, anti-bribery and corruption or sanctions requirements. Its reputation could also suffer if the Consumer Group is unable to protect its customers' bank products and services from being used by criminals for illegal or improper purposes.

In addition, while the Consumer Group reviews its relevant counterparties' internal policies and procedures with respect to such matters, it, to a large degree, relies upon its relevant counterparties to maintain and properly apply their own appropriate compliance procedures and internal policies. Such measures, procedures and internal policies may not be completely effective in preventing third parties from using its (and its relevant counterparties') services as a conduit for illicit purposes (including illegal cash operations) without the Consumer Group's (and its relevant counterparties') knowledge. If the Consumer Group is associated with, or even accused of being associated with, breaches of AML, anti-bribery, anti-terrorism, or sanctions requirements the Consumer Group's reputation could suffer and/or it could become subject to fines, sanctions and/or legal enforcement (including being added to 'black lists' that would prohibit certain parties from engaging in transactions with the Consumer Group), any one of which could have a material adverse effect on its operating results, financial condition and prospects.

Any such risks could have a material adverse effect on the Consumer Group's operating results, financial condition and prospects.

*Changes in taxes and other assessments may adversely affect the Consumer Group.*

The legislatures and tax authorities in the tax jurisdictions in which the Consumer Group operates regularly enact reforms to the tax and other assessment regimes to which it and its customers are subject to. Such reforms include changes in tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes.

The effects of these changes and any other changes that result from enactment of additional tax reforms cannot be quantified and there can be no assurance that any such reforms would not have an adverse effect upon the business of the Consumer Group.

### ***Liquidity and Funding Risks***

*Liquidity and Funding Risks are inherent in the Consumer Group's business and could have a material adverse effect on the Consumer Group.*

Liquidity risk is the risk that the Consumer Group either does not have available sufficient financial resources to meet its obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the Consumer Group has in place liquidity management processes to identify, assess, mitigate and control these risks, unforeseen systemic market factors make it difficult to eliminate completely these risks. Constraints in the supply of liquidity, including in inter-bank lending, could materially and adversely affect the cost of funding the Consumer Group's business, and extreme liquidity constraints may affect the Consumer Group's current operations and its ability to fulfil regulatory liquidity requirements, as well as limit growth possibilities.

The Consumer Group's cost of obtaining funding is directly related to prevailing interest rates and to its credit spreads. Credit spreads are defined as the excess return offered by corporate bonds, in this case those of the Consumer Group, compared to Treasury bonds of the same maturity. Increases in interest rates and/or in the Consumer Group's credit spreads can significantly increase the cost of its funding. Credit spreads are market-driven and may be influenced by market perceptions of the Consumer Group's creditworthiness. Changes to interest rates and the Consumer Group's credit spreads occur continuously and may be unpredictable and highly volatile.

The Consumer Group relies, and will continue to rely, primarily on retail deposits to fund lending activities. The ongoing availability of this type of funding is sensitive to a variety of factors beyond the Consumer Group's control, such as general economic conditions and the confidence of retail depositors in the economy and in the financial services industry, and the availability and extent of deposit guarantees, as well as competition for deposits between banks or with other products, such as mutual funds. Any of these factors could lead to significant withdrawals of retail deposits in a short period of time, thereby reducing the Consumer Group's ability to access retail deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on the Consumer Group's operating results, financial condition, and prospects.

The Consumer Group anticipates that its customers will continue, in the near future, to make deposits (particularly demand deposits and short-term time deposits), and the Consumer Group intends to maintain its emphasis on the use of banking deposits as a source of funds. The short-term nature of some deposits could cause liquidity problems for the Consumer Group in the future if deposits are not made in the volumes that the Consumer Group expects or are not renewed. If a substantial number of its depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, the Consumer Group may be materially and adversely affected.

The Consumer Group continues acquiring a solid base of retail customer deposits that allows the Consumer Group to strengthen its funding sources, providing flexibility in case of facing financing difficulties. Before 2012 customer deposits was a residual funding source (in terms of geographies), located only in Germany and Poland. From 2013, the Consumer Group started a global deposits project to acquire retail customer deposits with an efficient model and at low cost, increasing its presence in other European countries, mostly Scandinavia and France, and widening its geographic diversification.

Central banks took extraordinary measures to increase liquidity in the financial markets as a response to the financial crisis and the Covid-19 crisis. Such facilities are still in place, and are progressively reduced,



but if there were rapidly removed, this could have an adverse effect on the Consumer Group’s ability to access liquidity and on its funding costs.

Additionally, the activities of the Consumer Group could be adversely impacted by liquidity tensions arising from generalized drawdowns of committed credit lines to the customers of the Consumer Group.

The Issuer cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system, the Consumer Group will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding Notes or the liquidation of certain assets. If this were to happen, the Consumer Group could be materially adversely affected.

Finally, the implementation of internationally accepted liquidity ratios might require changes in business practices that affect the profitability of the Consumer Group. The liquidity coverage ratio (“LCR”) measures the Consumer Group’s liquidity risk profile, ensuring that it has encumbered high-quality assets that can be easily and immediately liquid in the financial markets, to cover expected net cash outflows over a 30-day liquidity stress period, without being susceptible to a significant loss of value. At 31 December 2022, the LCR ratio of the Consumer Group was 241%. The net stable funding ratio (“NSFR”) provides a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their activities. At the end of 2022, the NSFR ratio of the Consumer Group stood at 109%.

*Credit, market and liquidity risk may have an adverse effect on the credit ratings of the Consumer Group and its cost of funds. Any downgrade in the credit rating of the Consumer Group would likely increase its cost of funding, require the Consumer Group to post additional collateral or take other actions under some of its derivative and other contracts and adversely affect its interest margins and results of operations.*

Credit ratings affect the cost and other terms upon which the Consumer Group is able to obtain funding. Rating agencies regularly evaluate the Consumer Group, and their ratings of its debt are based on a number of factors, including its financial strength and conditions affecting the financial services industry. In addition, due to the methodology of the main rating agencies, the Consumer Group’s credit rating is affected by the rating of Spanish sovereign debt. If Spain’s sovereign debt is downgraded, the Consumer Group’s credit rating would also likely be downgraded by an equivalent amount.

Any downgrade in the Consumer Group’s debt credit ratings would likely increase its borrowing costs and require the Consumer Group to post additional collateral or take other actions under some of its derivative and other contracts, and could limit its access to capital markets and adversely affect the Consumer Group’s commercial business. For example, a ratings downgrade could adversely affect the Consumer Group’s ability to sell or market some of its products, engage in certain longer-term and derivatives transactions and retain its customers, particularly customers who need a minimum rating threshold in order to invest. In addition, under the terms of certain of the Consumer Group’s derivative contracts and other financial commitments, it may be required to maintain a minimum credit rating or terminate such contracts or require the posting of collateral. Any of these results of a ratings downgrade could reduce the Consumer Group’s liquidity and have an adverse effect on the Consumer Group, including its operating results and financial condition.

The Issuer has the following ratings by the following major rating agencies:

<b>Rating agency</b>	<b>Long term</b>	<b>Short term</b>	<b>Last report date</b>	<b>Outlook</b>
Fitch	A-	F2	20 April 2023	Stable
Moody’s	A2	P1	18 July 2022	Stable
S&P	A	A-1	22 March 2022	Stable

While certain potential impacts of these downgrades are contractual and quantifiable, the full consequences of a credit rating downgrade are inherently uncertain, as they depend upon numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of the Consumer Group’s long-term credit rating precipitates downgrades to the Consumer Group’s short-term credit rating, and assumptions about the potential behaviours of various customers, investors and counterparties. Actual outflows could be higher or lower than the preceding hypothetical examples, depending upon certain factors including which credit rating agency downgrades the Consumer Group’s credit rating, any management or restructuring actions that could be taken to reduce

cash outflows and the potential liquidity impact from loss of unsecured funding (such as from money market funds) or loss of secured funding capacity. Although unsecured and secured funding stresses are included in the Consumer Group's stress testing scenarios and a portion of the Consumer Group's total liquid assets is held against these risks, a credit rating downgrade could still have a material adverse effect on the Consumer Group.

In addition, if the Consumer Group were required to cancel its derivatives contracts with certain counterparties and were unable to replace such contracts, the Consumer Group's market risk profile could be altered.

There can be no assurance that the rating agencies will maintain the current ratings or outlooks. In general, the future evolution of the Consumer Group's ratings is linked, to a large extent, to the macroeconomic outlook, to the impact of the Covid-19 pandemic (including, for example, a new wave, new lockdowns, etc.), and to other potential adverse crisis scenario, on the asset quality, profitability and capital of the Consumer Group. Failure to maintain favourable ratings and outlooks could increase the Consumer Group's cost of funding and adversely affect interest margins, which could have a material adverse effect on the Consumer Group.

### ***Credit risk***

The development of non-performing assets and the cost of credit reflect the impact of the worsening economic environment, mitigated by prudent risk management, which has generally kept these figures lower than those of our competitors in recent years. As a result, Santander Consumer Finance maintains an adequate level of coverage to face the expected loss of the credit quality of the loan portfolios it manages.

*Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent to a wide range of the businesses of the Consumer Group.*

Non-performing or low credit quality loans have in the past negatively impacted its results of operations and could do so in the future. In particular, the amount of its reported non-performing loans ("NPL") may increase in the future as a result of growth in the Consumer Group's total loan portfolio, including as a result of loan portfolios that the Consumer Group may acquire in the future (the credit quality of which may turn out to be worse than it had anticipated), or factors beyond the Consumer Group's control, such as adverse changes in the credit quality of the Consumer Group's borrowers and counterparties or a general deterioration in economic conditions in the regions where the Consumer Group operate or in global economic and political conditions.

The loan loss reserves of the Consumer Group are based on its current assessment and expectations concerning various factors affecting the quality of its loan portfolio. These factors include, among others, the financial condition of the borrowers of the Consumer Group, repayment capabilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, government macroeconomic policies, interest rates and the legal and regulatory environment. Because many of these factors are beyond the Consumer Group's control and there is no infallible method for predicting loan and credit losses, the Consumer Group cannot assure that the Consumer Group's current or future loan loss reserves will be sufficient to cover actual losses. If its assessment of and expectations concerning the above-mentioned factors differ from actual developments, if the quality of its total loan portfolio deteriorates, for any reason, or if the future actual losses exceed its estimates of expected losses, The Consumer Group may be required to increase its loan loss reserves, which may adversely affect the Consumer Group.

Additionally, in calculating the Consumer Group's loan loss reserves, the Consumer Group employs qualitative tools and statistical models which may not be reliable in all circumstances, and which are dependent upon data that may not be complete. For further details regarding the risk management policies of the Consumer Group, see risk factor entitled *'Failure to successfully implement and continue to improve the risk management policies of the Consumer Group, procedures and methods, including its credit risk management system, could materially and adversely affect it, and the Consumer Group may be exposed to unidentified or unanticipated risks'*.

The loan portfolio of the Consumer Group is concentrated in continental Europe, particularly in Germany, Spain and Nordics (Norway, Sweden, Finland and Denmark). On 31 December 2022, Germany & Austria accounted for the 39% of the Consumer Group's total loan portfolio, Spain<sup>1</sup> & Portugal accounted for the 15.5% and Nordics accounted for 16.33%. Accordingly, the recoverability of these loan portfolios in particular, and the Consumer Group's ability to increase the amount of loans outstanding and the Consumer

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<sup>1</sup> The Spanish business incorporates on 31 December 2021 the branches in the Netherlands, Belgium, Greece and Portugal.

Group's results of operations and financial condition in general, are dependent to a significant extent on the level of economic activity in continental Europe.

As of 31 December 2022, the Consumer Group's credit risk amounted to €108,456 million (€101,675 million at 31 December 2021). The Consumer Group's NPL ratio stood at 1.47% (1.55% on 31 December 2021) and coverage stood at 88.61% (102.65% the previous year). The NPL ratio has shown a downward trend in recent years, reaching the lowest value in December 2019 in the pre-pandemic scenario. However, despite the uncertainty and instability generated by the Covid-19 situation (already finalized), Ukraine-Russia war, growth of the interest rates that drives to an uncertainty of the macroeconomic environment, the Stage 3 ratio keeps stable, standing at 1.47% in December 2022, thanks also to a good management of the risks and collections activity Consumer confidence, unemployment rates and housing indicators are among the factors that often impact consumer spending behaviour, and poor economic conditions could in turn could have a material adverse effect on its business, financial condition and results of operations.

At 31 December 2022, the geographic spread of the Consumer Group's total customer loans and advances (€106,500 million) portfolio was as follows:

	<b>2022 Financial year (audited)</b>	<b>% of total activity</b>	<b>2021 Financial year (audited)</b>	<b>Variation 2022/2021</b>
	<i>(millions of euro)</i>	<i>(%)</i>	<i>(millions of euro)</i>	<i>(%)</i>
Spain and Portugal	16,480	15.5%	15,517	6.2%
Italy	10,180	9.6%	8,918	14.2%
Germany and Austria	41,532	39.0%	38,223	8.7%
France	15,748	14.8%	14,563	8.1%
The Nordics	17,394	16.3%	17,088	1.8%
United Kingdom	2,798	2.6%	2,948	-5.1%
Other Areas & Intragroup adjustments	2,367	2.2%	2,303	2.8%
<b>Total</b>	<b>106,500</b>	<b>100%</b>	<b>99,560</b>	<b>7.0%</b>

As a result, if the economies of Europe in which the Consumer Group operates fall into recession, this could have a material adverse effect on the Banco Santander Group's loan portfolio and, consequently, its financial position, cash flow and operating profit.

*The value of the collateral securing the loans of the Consumer Group may not be sufficient, and the Consumer Group may be unable to realise the full value of the collateral securing its loan portfolio.*

The value of the collateral securing the loan portfolio of the Consumer Group may fluctuate or decline due to factors beyond the Consumer Group's control, including as a result of the Covid-19 pandemic and macroeconomic factors affecting Europe. The value of the collateral securing its loan portfolio may be adversely affected by force majeure events, such as natural disasters, which could impair the asset quality of the Consumer Group's loan portfolio and have an adverse impact on the economy of the affected region. The Consumer Group may also not have sufficiently recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of the Consumer Group's loans secured by such collateral. If any of the above were to occur, the Consumer Group may need to make additional provisions to cover actual impairment losses of its loans, which may materially and adversely affect the Consumer Group's results of operations and financial condition.

The Consumer Group's loans and advances to customers which have collateral are likely to be affected by an individual or widespread decrease in the value of these guarantees.

*The Consumer Group is subject to counterparty risk in its banking business.*

The Consumer Group is exposed to counterparty risk in addition to credit risks associated with lending activities. Counterparty risk may arise from, for example, investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to the Consumer Group or executing securities, futures, currency or commodity trades from proprietary trading activities that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, clearing houses or other financial intermediaries.

The Consumer Group routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, 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. Many of the routine transactions the Consumer Group enters into expose it to significant credit risk in the event of default by one of its significant counterparties.

### **Market risk**

*The Consumer Group's financial results are constantly exposed to market risk. The Consumer Group is subject to fluctuations in interest rates and other market risks, which may materially and adversely affect the Consumer Group and its profitability.*

Even when the Consumer Group does not have direct exposures with either Russian and Ukraine geographies, the recent military conflict between both countries, may materially and adversely affect the Consumer Group and its banking book, given the high market volatility and the potential adverse scenarios over the interest rates and inflation.

Although the Consumer Group has no trading book and the market risk exposures have structural purposes, changes in market interest rates could affect the interest rates charged on interest earning assets in a different manner to that paid on interest bearing liabilities. This difference could result in an increase in interest expenses relative to interest income leading to a reduction in its net interest income. Rising interest rates may also bring about an increase in the non-performing loan portfolio.

Market risk includes unpredictable risks related to periods in which the market does not efficiently manage its prices, for example in market disruptions or shocks.

Interest rates are sensitive to many factors beyond the Consumer Group control, including increased regulation of the financial sector, monetary policies, domestic and international economic and political conditions and other factors.

*Variations in the interest income / (charges) and the Economic Value of the Consumer Group.*

At the end of December 2022, risk on net interest income over a one year period, measured as sensitivity to parallel changes in the worst-case scenario of  $\pm 100$  basis points, was concentrated on the euro's curve with €-92 million, which represents 2.5% of the net interest income budgeted, and it is far from the management limit in place.

The risk on economic value of equity of the Consumer Group, measured as sensitivity to parallel changes in the worst-case scenario of  $\pm 100$  basis points, was concentrated on the euro's curve with €-105 million, which represents 1% of CET1, and it is far from the management limit in place.

### **Other business risks**

*The Consumer Group may have to recognise goodwill impairments recognised for its acquired businesses.*

The Consumer Group has made business acquisitions in recent years and may make further acquisitions in the future. It is possible that the goodwill which has been attributed, or may be attributed, to these businesses may have to be written-down if the Consumer Group's valuation assumptions are required to be reassessed as a result of any deterioration in their underlying profitability, asset quality and other relevant matters. Impairment testing in respect of goodwill is performed annually, or more frequently if there are impairment indicators present, and comprises a comparison of the carrying amount of the cash-generating unit with its recoverable amount.

*The Consumer Group depends in part upon dividends and other funds from subsidiaries.*

Some of the Consumer Group's operations are conducted through its subsidiaries. As a result, the Consumer Group's ability to pay dividends, to the extent it decides to do so, depends in part on the ability of its subsidiaries to generate earnings and to pay dividends to the Consumer Group. Payment of dividends, distributions and advances by the Consumer Group's subsidiaries will be contingent upon their earnings and business considerations and is or may be limited by legal, regulatory and contractual restrictions. Additionally, the Consumer Group's right to receive any assets of any of its subsidiaries as an equity holder of such subsidiaries upon their liquidation or reorganisation, will be effectively subordinated to the claims of the Consumer Group's subsidiaries' creditors, including trade creditors, including trade creditors. The Consumer Group also has to comply with increased capital requirements, which could result in the imposition of restrictions or prohibitions on discretionary payments including the payment of dividends and other distributions to the Consumer Group by its subsidiaries.

At 31 December 2021, the pay-out for the Issuer was 52.5%<sup>2</sup>.

*Increased competition, including from non-traditional providers of banking services such as financial technology providers, and industry consolidation may adversely affect the Consumer Group's operational results.*

The Consumer Group faces substantial competition in all parts of its business, including in payments, in originating loans and in attracting deposits. The competition in originating loans comes principally from other domestic and foreign banks, mortgage banking companies, consumer finance companies, insurance companies and other lenders and purchasers of loans.

In addition, there has been a trend towards consolidation in the banking industry, which has created larger and stronger banks with which the Consumer Group must now compete. There can be no assurance that this increased competition will not adversely affect its growth prospects, and therefore its operations. The Consumer Group also face competition from non-bank competitors, such as brokerage companies, department stores (for some credit products), leasing and factoring companies, mutual fund and pension fund management companies and insurance companies.

Non-traditional providers of banking services, such as internet based e-commerce providers, mobile telephone companies and internet search engines, may offer and/or increase their offerings of financial products and services directly to customers. These non-traditional providers of banking services currently have an advantage over traditional providers because they are not subject to banking regulation. Several of these competitors may have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may adopt more aggressive pricing and rates and devote more resources to technology, infrastructure and marketing.

Moreover, the widespread adoption of new technologies, including distributed ledger, artificial intelligence and/or biometrics, to provide services such as cryptocurrencies and payments, could require substantial expenditures to modify or adapt its existing products and services as it continues to grow the Consumer Group's internet and mobile banking capabilities. Its customers may choose to conduct business or offer products in areas that may be considered speculative or risky. Such new technologies and mobile banking platforms in recent years may necessitate changes to its retail distribution strategy, which may include restructuring its work force and reforming its retail distribution channel. Its failure to swiftly and effectively implement such changes to its distribution strategy could have an adverse effect on the Consumer Group's competitive position.

In particular, the Consumer Group has the challenge of competing in an environment in which customer relations are based on access to digital data and interactions. This access is increasingly dominated by digital platforms, which are already eroding the Consumer Group's results in very significant markets such as payments. These platforms can use their advantage to access data to compete with the Consumer Group in other markets and may reduce the Consumer Group's operations and margins in its core businesses, such as loans or wealth management. The alliances that its competitors are beginning to engage with Bigtechs may make it more difficult to compete successfully with them and could have an adverse effect on the Consumer Group.

Increasing competition could also require that the Consumer Group increases its rates offered on deposits or lower the rates the Consumer Group charge on loans, which could also have a material adverse effect on

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<sup>2</sup> It has been calculated taking the dividend approved after the closing of consolidated financial statements (details in Section - Other business risks and in Section - Events after the reporting period).

the Consumer Group, including its profitability. It may also negatively affect the Consumer Group's business results and prospects by, among other things, limiting its ability to increase its customer base and expand its operations and increasing competition for investment opportunities.

If the Consumer Group customer service levels were perceived by the market to be materially below those of its competitor financial institutions, it could lose existing and potential business. If the Consumer Group is not successful in retaining and strengthening customer relationships with manufacturers, dealers and retailers, as well as end consumers, the Consumer Group may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

*The Consumer Group's recent and future acquisitions may not be successful and may be disruptive to the Consumer Group's business.*

The Consumer Group has historically acquired controlling interests in various companies and has engaged in other strategic partnerships. In addition, the Consumer Group may consider other strategic acquisitions and partnerships from time to time. There can be no assurances that the Consumer Group will be successful in its plans regarding the operation of past or future acquisitions and strategic partnerships.

The Consumer Group can give no assurance that its acquisition and partnership activities will perform in accordance with the Consumer Group's expectations. The Consumer Group bases its assessment of potential acquisitions and partnerships on limited and potentially inexact information and on assumptions with respect to operations, profitability and other matters that may prove to be incorrect. In addition, it is possible that the integration process of the Consumer Group's recent (and any future) acquisitions could take longer or be more costly than anticipated or could result in the loss of key employees, the disruption of each Consumer Group company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of each company within the Consumer Group to maintain relationships with clients, customers or employees. If the Consumer Group takes longer than anticipated or is not able to integrate the aforementioned businesses, the anticipated benefits of the Consumer Group's recent acquisitions may not be realised fully or at all, or may take longer than expected to realise.

*The Consumer Group business could be negatively impacted if it is unsuccessful in developing and maintaining relationships with automobile dealerships, manufacturers and other retailers.*

The Consumer Group ability to acquire loans is reliant on its relationships with automotive dealers. In particular, its automotive finance operations depend in large part upon its ability to establish and maintain relationships with reputable automotive dealers that originate loans at the point-of-sale, which the Consumer Group subsequently purchase. Although the Consumer Group typically have exclusive relationships with automotive manufacturers, its captive finance agreements with these manufacturers typically have terms of only three to five years, and the Consumer Group cannot guarantee that it will be able to renew these agreements at the end of their terms or that any future captive finance agreements will contain similar exclusivity terms.

An important part of its consumer and card business relies on establishing and maintaining cooperation agreements with retailers. While the Consumer Group have been serving a majority of its retailers for many years, and while a majority of its cooperation agreements with its retailers are exclusive, there can be no assurance that the Consumer Group will be able to maintain its relationships with all its current retailers.

*Negative changes in the business of the manufacturers or retailers with which the Issuer has strategic relationships could adversely affect the business of the Consumer Group.*

A significant adverse change in automotive manufacturers' business, including (i) significant adverse changes in their respective liquidity position and access to the capital markets, (ii) the production or sale of their vehicles (including the effects of any product recalls), (iii) the quality or resale value of their vehicles, (iv) the use of marketing incentives, (v) their relationships with their key suppliers, or (vi) their respective relationships with labor unions and other factors impacting automotive manufacturers or their employees could have a material adverse effect on our profitability and financial condition. As a result of the recent economic downturn and contraction of credit to both dealers and their customers, there was an increase in dealership closures and our existing dealer base experienced decreased sales and loan volume in the past and may experience decreased sales and loan volume in the future, which may have an adverse effect on our business, results of operations, and financial condition.

There is no assurance that the global automotive market, or our other automotive manufacturer partners' share of that market, will not suffer downturns in the future, and any negative impact could in turn have a

material adverse effect on our business, results of operations, and financial position. Similarly, our ability to generate new loans and the interest and fees and other income associated with them is dependent upon sales of merchandise and services by our retail partners. Our retail partners' sales may decrease or may not increase as the Consumer Group anticipates for various reasons, some of which are in the retail partners' control and some of which are not. For example, retail partner sales may be adversely affected by macroeconomic conditions having a national, regional or more local effect on consumer spending, business conditions affecting a particular partner or industry, or catastrophes affecting broad or more discrete geographic areas. If our retail partners' sales decline for any reason, it generally results in lower credit sales, and therefore lower loan volume and associated interest and fees and other income for the Consumer Group from their customers. In addition, if a retail partner closes some or all of its stores or becomes subject to a voluntary or involuntary bankruptcy proceeding (or if there is a perception that it may become subject to a bankruptcy proceeding), its customers who have used our financing products may have less incentive to pay their outstanding balances to the Consumer Group, which could result in higher charge-off rates than anticipated and our costs for servicing its customers' accounts may increase. Moreover, if the financial condition of a retail partner deteriorates significantly or a partner becomes subject to a bankruptcy proceeding, the Consumer Group may not be able to recover for customer returns, customer payments made in partner stores or other amounts due to the Issuer from the retail partner. A decrease in sales by our retail partners for any reason or a bankruptcy proceeding involving any of them could have a material adverse impact on our business and results of operations.

*If the Consumer Group is unable to manage the growth of its operations or to integrate successfully its inorganic growth, this could have an adverse impact on its profitability.*

The Consumer Group allocates management and planning resources to develop strategic plans for organic growth, and to identify possible acquisitions and disposals and areas for restructuring its businesses. From time to time, the Consumer Group evaluates acquisition and partnership opportunities that it believes offer additional value to its shareholders and are consistent with its business strategy. However, the Consumer Group may not be able to identify suitable acquisition or partnership candidates, and its ability to benefit from any such acquisitions and partnerships will depend in part on its successful integration of those businesses. Any such integration entails significant risks such as unforeseen difficulties in integrating operations and systems, unexpected liabilities or contingencies relating to the acquired businesses, including legal claims and delivery and execution risks. The Consumer Group can give no assurances that its expectations with regards to integration and synergies will materialize. It also cannot provide assurance that the Consumer Group will, in all cases, be able to manage its growth effectively or deliver its strategic growth objectives. Challenges that may result from its strategic growth decisions include the ability of the Consumer Group to:

- manage efficiently the operations and employees of expanding businesses;
- maintain or grow its existing customer base;
- assess the value, strengths and weaknesses of investment or acquisition candidates, including local regulation that can reduce or eliminate expected synergies;
- finance strategic investments or acquisitions;
- align its current information technology systems adequately with those of an enlarged group;
- apply its risk management policy effectively to an enlarged group; and
- manage a growing number of entities without over-committing management or losing key personnel.

Any failure to manage growth effectively could have a material adverse effect on its operating results, financial condition and prospects. In addition, any acquisition or venture could result in the loss of key employees and inconsistencies in standards, controls, procedures and policies.

Moreover, the success of the acquisition or venture will at least in part be subject to a number of political, economic and other factors that are beyond the control of the Consumer Group. Any of these factors, individually or collectively, could have a material adverse effect on the Consumer Group.

*Future changes in the Consumer Group relationship with the Santander Parent may adversely affect its operations.*

The Santander Parent, directly and through wholly owned subsidiaries, owns 100% of the Consumer Group common stock. The Consumer Group relies on its relationship with the Santander Parent for several

competitive advantages including relationships with manufacturers and regulatory best practices. The Santander Parent applies certain standardised banking policies, procedures and standards across its affiliated entities, including with respect to internal audit credit approval, governance risk management, and compensation practices. The Consumer Group currently follow certain of these the Santander Parent policies and may in the future become subject to additional policies, procedures and standards of the Santander Parent, which could result in changes to its practices. In addition, its credit ratings are affected by those of the Santander Parent, so if the Santander Parent were to suffer credit ratings downgrades or other adverse financial developments, the Consumer Group could be indirectly negatively impacted.

*The Consumer Group may not effectively manage the risks associated with the replacement or reform of benchmark market indices.*

Interest rate, equity, foreign exchange rate and other types of indices which are deemed to be “benchmarks”, including those in widespread and long-standing use, have been the subject of ongoing international, national and other regulatory scrutiny and initiatives and proposals for reform. Some of these reforms are already effective while others are still to be implemented or are under consideration. These reforms may cause benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences, which cannot be fully anticipated.

Any of the benchmark reforms which have been proposed or implemented, or the general increased regulatory scrutiny of benchmarks, could also increase the costs and risks derived of complying with regulations or requirements relating to them. 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 disappearance of certain benchmarks.

Various regulators, industry bodies and other market participants in the US and other countries have worked to develop, introduce and encourage the use of alternative rates to replace certain benchmarks. A transition away from the widespread use of certain benchmarks to alternative rates has begun and will continue over the course of the next few years. There is no assurance that these new rates will be accepted or widely used by market participants, or that the characteristics of any of these new rates will be similar to, or produce the economic equivalent of, the benchmarks that they seek to replace. If a particular benchmark were to be discontinued and an alternative rate has not been successfully introduced to replace that benchmark, this could result in widespread dislocation in the financial markets, engender volatility in the pricing of securities, derivatives and other instruments, and suppress capital markets activities, all of which could have adverse effects on Consumer Group's results of operations. In addition, the transition of a particular benchmark to a replacement rate could affect hedge accounting relationships between financial instruments linked to that benchmark and any related derivatives, which could adversely affect Consumer Group's results.

On 5 March 2021, the The United Kingdom Financial Conduct Authority (“FCA”) announced the cessation or loss of representativeness of the London Interbank Offered Rate (“LIBOR”) benchmark settings immediately after 31 December 2021, for all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and immediately after 30 June 2023, for the remaining US dollar settings. The Working Groups of all impacted currencies have been working on designating a Risk-Free Rate as the replacement rate for LIBOR: the Sterling Overnight Index Average (“SONIA”, published by the Bank of England) for GBP LIBOR, the Swiss Average Rate Overnight (“SARON”, published by SIX Swiss Exchange) for CHF LIBOR, the Tokyo Overnight Average Rate (“TONA”, published by the Bank of Japan) for JPY LIBOR and the Secured Overnight Financing Rate (“SOFR”, published by the Federal Reserve Bank of New York) for USD LIBOR. According to the transition schedule, the vast majority of transactions referenced to any LIBOR settings with a cessation date after December 31, 2021, have already been migrated to their respective Risk-Free Rates.

Furthermore, the European Money Market Institute (the “EMMI”) announced the discontinuation of the EONIA after 3 January 2022 and the Working Group on Euro Risk-Free Rates recommended the €STR (published by the ECB) plus a spread of 8.5 basis points as the replacement convention for EONIA-linked transactions. Similar to LIBOR, transactions referenced to EONIA were migrated to €STR as of the discontinuation date.

These and other reforms may cause benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be fully anticipated which introduces a number of risks for the Consumer Group.

Investors should be aware that the market is continuing to develop such alternative reference rates and further changes or recommendations may be introduced. In particular, on 11 May 2021, the working group



on euro risk-free rates as an alternative to the Euro Interbank Offered Rate (“EURIBOR”) issued its recommendations on EURIBOR fallback trigger events and on €STR-based EURIBOR fallback rates.

These risks include (i) legal risks arising from potential changes required to documentation for new and existing transactions; (ii) risk management, financial and accounting risks arising from market risk models and from valuation, hedging, discontinuation and recognition of financial instruments linked to benchmark rates; (iii) business risk of a decrease in revenues of products linked to indices that will be replaced; (iv) pricing risks arising from how changes to benchmark indices could impact pricing mechanisms on some instruments; (v) operational risks arising from the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes; (vi) conduct risks arising from the potential impact of communication with customers and engagement during the transition period and (vii) litigation risks regarding the existing products of the Consumer Group and services, which could adversely impact its profitability.

The replacement benchmarks and their transition path have been defined, but the mechanisms for implementation are under development. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would affect the Consumer Group but could, amongst other things, increase operating costs and affect the validity of existing contracts and the valuation of the Consumer Group’s assets, which in turn could have a material adverse effect on the business, results of operations, financial condition and prospects of the Consumer Group. The Consumer Group may also be adversely affected if the change restricts its ability to provide products and services or if it necessitates the development of additional IT systems.

### **Risk Management**

*Failure to successfully implement and continue to improve the risk management policies, procedures and methods of the Consumer Group, including its credit risk management system, could materially and adversely affect the Consumer Group, and it may be exposed to unidentified or unanticipated risks.*

The management of risk is an integral part of the activities of the Consumer Group. The Consumer Group seeks to monitor and manage its risk exposure through a variety of separate but complementary financial, credit, market, operational, compliance and legal reporting systems, among others. While the Consumer Group employs a broad and diversified set of risk monitoring and risk mitigation techniques, such techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that it may fail to identify or anticipate.

Some of the qualitative tools and metrics of the Consumer Group for managing risk are based upon its use of observed historical market behaviour. The Consumer 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. These risk exposures could, for example, arise from factors the Consumer Group did not anticipate or correctly evaluate in its statistical models. This would limit its ability to manage its risks. The losses of the Consumer Group thus could be significantly greater than the historical measures indicate. In addition, its quantified modelling does not take all risks into account.

The Consumer Group's more qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. The Consumer Group could face adverse consequences as a result of decisions, which may lead to actions by management, based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed. If existing or potential customers or counterparties believe the risk management of the Consumer Group is inadequate, they could take their business elsewhere or seek to limit their transactions with it. Any of these factors could have a material adverse effect on the reputation, operating results, financial condition and prospects of the Consumer Group.

As a retail bank, one of the main types of risks inherent to the business of the Consumer Group is credit risk. For example, an important feature of its credit risk management system is to employ an internal credit rating system to assess the particular risk profile of a customer. As this process involves detailed analyses of the customer, considering both quantitative and qualitative factors, it is subject to human or IT systems errors. In exercising their judgement on current or future credit risk behaviour of the customers of the Consumer Group, its employees may not always be able to assign an accurate credit rating, which may result in its exposure to higher credit risks than indicated by the Consumer Group's risk rating system.

Some of the models and other analytical and judgement-based estimations the Consumer Group uses in managing risks are subject to review by, and require the approval of, regulators. If models do not comply with all their expectations, regulators may require the Consumer Group to make changes to such models,

may approve them with additional capital requirements or it may be precluded from using them. Any of these possible situations could limit the ability of the Consumer Group to expand its businesses or have a material impact on its financial results.

Failure to effectively implement, consistently monitor or continuously refine the credit risk management system of the Consumer Group may result in an increase in the level of non-performing loans and a higher risk exposure for the Consumer Group, which could have a material adverse effect on it.

The board of directors of the Consumer Group is responsible for the approval of the Consumer Group's general policies and strategies, and in particular for the general risk policy. In addition to the executive committee, which maintains a special focus on risk, the board has a specific risk supervision, regulation and compliance committee.

### ***Technology Risks***

*Any failure to effectively improve or upgrade the information technology infrastructure and management information systems of the Consumer Group in a timely manner or any failure to successfully implement new cybersecurity and data privacy regulations could have a material adverse effect on the Consumer Group.*

The ability of the Consumer Group to remain competitive depends in part on its ability to upgrade its information technology on a timely and cost-effective basis. It must continually make significant investments in, and improvements to, the information technology infrastructure of the Consumer Group in order to meet the needs of its customers. The Consumer Group cannot assure that in the future it will be able to maintain the level of capital expenditures necessary to support the continuous improvement and upgrading of its information technology infrastructure. To the extent that the Consumer Group is dependent upon any particular technology or technological solution, it may be harmed if such technology or technological solution becomes non-compliant with existing industry standards, fails to meet or exceed the capabilities of its competitors' equivalent technologies or technological solutions, becomes increasingly expensive to service, retain and update, becomes subject to third party claims of intellectual property infringement, misappropriation or other violation, or malfunctions or functions in a way the Consumer Group did not anticipate. Additionally, new technologies and technological solutions are continually being released. As such, it is difficult to predict the problems the Consumer Group may encounter in improving its technologies' functionality. There is no assurance that the Consumer Group will be able to successfully adopt new technology as critical systems and applications become obsolete and better ones become available. Any failure to effectively improve or upgrade the information technology infrastructure and management information systems in a timely and cost-efficient manner could have a material adverse effect on the Consumer Group.

In addition, several new and proposed laws (such as, for example, Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector), directives and regulations are defining how to manage cybersecurity and data protection risks, including with respect to the data breach reporting requirements and supervisory processes, among others. These regulations are quite fragmented in terms of definitions, scope and applicability. A failure to successfully implement all or some of these new local, state, national and international regulations, which in some cases have severe sanctions regimes, could have a material adverse effect on the Consumer Group.

*Risks relating to data collection, processing and storage systems and security are inherent in the business of the Consumer Group.*

Like other financial institutions, the Consumer 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, as well as a large number of assets. Accordingly, the business of the Consumer 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 Consumer Group or those of its third party vendors. The proper and secure functioning of its financial controls, accounting and other data collection and processing systems is critical to its business and to its ability to compete effectively. 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 Consumer 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 Consumer 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 Consumer Group.

Although the Consumer Group works with its clients, vendors, service providers, counterparties and other third parties to develop secure data and information processing, storage and transmission capabilities to prevent against information security risk, the Consumer Group routinely manages personal, confidential and proprietary information by electronic means, and it may be the target of attempted cyber-attacks or subject to other information security incidents or breaches. This is especially applicable in the current response to the Covid-19 pandemic and the shift the Consumer Group has experienced in having a significant part of its employees working from their homes for the time being, as its employees access its secure networks through their home networks. If the Consumer Group cannot maintain effective and secure electronic data and information, management and processing systems or if it fails to maintain complete physical and electronic records, this could result in disruptions to its operations, claims from customers, regulators, employees and other parties, violations of applicable privacy and other laws, regulatory sanctions and serious reputational and financial harm to the Consumer Group.

The Consumer Group takes protective measures and continuously monitor and develop its systems to protect its technology infrastructure, data and information from misappropriation or corruption, but its third-party vendors' systems, software and networks nevertheless may be vulnerable to disruptions and failures caused by unauthorized 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 Consumer Group. An interception, loss, misuse or mishandling of personal, confidential or proprietary information sent to or received from a client, employee, vendor, service provider, counterparty or other third party could result in legal liability, regulatory action, reputational harm and financial loss. There can be no absolute assurance that the Consumer Group will not suffer material losses from operational risks in the future, including those relating to any security breaches.

The Consumer Group has seen in recent years computer systems of companies and organizations being increasingly targeted, and the techniques used to obtain unauthorized, improper or illegal access to information technology systems have become increasingly complex and sophisticated. Furthermore, such techniques change frequently and are often not recognized 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 rogue states. The Consumer Group has been and continue to be subject to a range of cyber-attacks, such as denial of service, malware and phishing. Cyber-attacks could give rise to the loss of significant amounts of customer data and other sensitive information, as well as significant levels of liquid assets (including cash). In addition, cyber-attacks could disrupt the electronic systems of the Consumer Group used to service its customers. As attempted attacks continue to evolve in scope and sophistication, the Consumer 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 or other affected individuals. If the Consumer 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. In addition, the Consumer Group may also be impacted by cyber-attacks against national critical infrastructures of the countries where it operates, such as telecommunications networks. The information technology systems of the Consumer Group are dependent upon such national critical infrastructure and any cyber-attack against such critical infrastructure could negatively affect its ability to service its customers. As the Consumer Group does not operate such national critical infrastructure, it has limited ability to protect its information technology systems from the adverse effects of such a cyber-attack.

Although the Consumer Group has procedures and controls in place to safeguard personal and other confidential or sensitive information in its possession, unauthorized access or disclosures the Consumer Group could be subject to legal actions and administrative sanctions, as well as damages and reputational harm that could materially and adversely affect the operating results, financial condition and prospects of the Consumer Group. Further, its business is exposed to risk from employees' potential non-compliance with policies, misconduct, negligence or fraud, which could result in regulatory sanctions and serious reputational and financial harm. It is not always possible to deter or prevent employee misconduct, and the precautions that the Consumer Group takes to detect and prevent this activity may not always be effective. In addition, the Consumer Group may be required to report events related to information security issues,

events where customer information may be compromised, unauthorized access to its systems and other security breaches, to the relevant regulatory authorities.

### **General risks**

#### ***Risks relating to the industry of the Consumer Group***

*Climate change can create transition risks, physical risks, and other risks that could adversely affect the Consumer Group.*

Climate change may imply three primary drivers of financial risk that could adversely affect the Consumer Group:

- Transition risks associated with the move to a low-carbon economy, both at idiosyncratic and systemic levels, such as through policy, regulatory and technological changes.
- Physical risks related to extreme weather impacts and longer-term trends, which could result in financial losses that could impair asset values and the creditworthiness of its customers.
- Liability risks derived from parties who may suffer losses from the effects of climate change and may seek compensation from those they hold responsible such as state entities, regulators, investors and lenders.

These primary drivers could materialize, among others, in the following financial risks:

- Credit risks: Physical climate change could lead to increased credit exposure and companies with business models not aligned with the transition to a low-carbon economy may face a higher risk of reduced corporate earnings and business disruption due to new regulations or market shifts.
- Residual value risk: Transition risk may lead to more volatility or a decrease in the value of leased assets due to changes in regulation, technology, or user sentiment.
- Market risks: Market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increasing frequency of severe weather events could affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation.
- Operational risks: Severe weather events could directly impact business continuity and operations both of customers and the Consumer Group's.
- Reputational risk could also arise from shifting sentiment among customers and increasing attention and scrutiny from other stakeholders (investors, regulators, etc.) on its response to climate change.
- Strategic (business model) risk: Transition risk may lead to a decrease in auto sales and therefore in the auto loan market due to changes in regulation, user sentiment or pressure from private car substitutes.

Any of the conditions described above could have a material adverse effect on the business, financial condition and results of operations of the Consumer Group.

*The financial problems faced by its customers could adversely affect the Consumer Group.*

Market turmoil and economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of the borrowers of the Consumer Group, which could in turn increase its non-performing loan ratios, impair its loan and other financial assets and result in decreased demand for borrowings in general. In addition, the customers of the Consumer Group may further significantly decrease their risk tolerance to non-deposit investments, which would adversely affect its fee and commission income. Any of the conditions described above could have a material adverse effect on the business, financial condition and results of operations of the Consumer Group.

*The ability of the Consumer Group to maintain its competitive position depends, in part, on the success of new products and services the Consumer Group offers to its clients and on its ability to offer products and services that meet the customers' needs during the whole life cycle of the products or services, and the Consumer Group may not be able to manage various risks it faces as it expands its range of products and services that could have a material adverse effect on the Consumer Group.*

The success of the operations and profitability of the Consumer Group depend, in part, on the success of new products and services it offers to its clients and on its ability to offer products and services that meet the customers' needs. However, clients' needs or desires may change over time, and such changes may

render the products and services of the Consumer Group obsolete, outdated or unattractive and it may not be able to develop new products that meet its clients' changing needs. The success of the Consumer Group is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry. Technological changes may further intensify and complicate the competitive landscape and influence client behaviour. If the Consumer Group cannot respond in a timely fashion to the changing needs of its clients, it may lose them, which could in turn materially and adversely affect the Consumer Group. In addition, the cost of developing products is likely to affect its results of operations.

As the Consumer Group expands the range of its products and services, some of which may be at an early stage of development in the markets of certain regions where the Consumer Group operates, it will be exposed to new and potentially increasingly complex risks, such as the conduct risk in the relationship with customers, and development expenses. The employees and risk management systems of the Consumer Group, as well as its experience and that of its partners may not be sufficient to enable the Consumer Group to properly manage such risks. Any or all of these factors, individually or collectively, could have a material adverse effect on the Consumer Group.

While the Consumer Group has successfully increased its customer service levels in recent years, should these levels ever be perceived by the market to be materially below those of its competitor financial institutions, the Consumer Group could lose existing and potential business. If the Consumer Group is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

*The Consumer Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel.*

The continued success of the Consumer Group depends in part on the continued service of key members of its senior executive team and other key employees. The ability to continue to attract, train, motivate and retain highly qualified and talented professionals is a key element of the strategy of the Consumer Group. The successful implementation of this strategy and culture depends on the availability of skilled and appropriate management, both at the Consumer Group's head office and in each of its business units. If the Consumer Group or one of its business units or other functions fails to staff its operations appropriately, or loses one or more of its key senior executives or other key employees and fails to replace them in a satisfactory and timely manner, its business, financial condition and results of operations, including control and operational risks, may be adversely affected.

In addition, the financial industry has and may continue to experience more stringent regulation of employee compensation, which could have an adverse effect on the ability of the Consumer Group to hire or retain the most qualified employees. If the Consumer Group fails or is unable to attract and appropriately train, motivate and retain qualified professionals, its business may also be adversely affected.

*The Consumer Group relies on third parties and affiliates for important products and services.*

Third party vendors and certain affiliated companies provide key components to the business infrastructure of the Consumer Group such as loan and deposit servicing systems, back office and business process support, information technology production and support, Internet connections and network access. Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the Consumer Group, including with respect to security breaches affecting such parties. The Consumer Group is also subject to risk with respect to security breaches affecting the vendors and other parties that interact with these service providers. As the interconnectivity of the Consumer Group with these third parties and affiliated companies increases, the Consumer Group increasingly faces the risk of operational failure with respect to their systems. The Consumer Group may be required to take steps to protect the integrity of its operational systems, thereby increasing its 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 Consumer Group their services for any reason, or performing their services poorly, could adversely affect its ability to deliver products and services to customers and otherwise conduct its business, which could lead to reputational damage and regulatory investigations and intervention. Replacing these third-party vendors could also entail significant delays and expense. Further, the operational and regulatory risk that the Consumer Group faces as a result of these arrangements may be increased to the extent that it restructures such arrangements. Any restructuring could involve significant expense to the Consumer Group and entail significant delivery and execution risk which could have a material adverse effect on its business, operations and financial condition.

*Damage to the reputation of the Consumer Group, or more widely the Banco Santander Group, could cause harm to its business prospects.*

Maintaining a positive reputation is critical to protect the Consumer Group's brand, attract and retain customers, investors and employees and conduct business transactions with counterparties. Damage to the reputation of the Consumer Group, or more widely the Banco Santander Group, can therefore cause significant harm to its business and prospects. Harm to such reputation can arise from numerous sources, including, among others, employee misconduct, including the possibility of fraud perpetrated by the employees of the Consumer Group, litigation or regulatory enforcement, failure to deliver minimum standards of service and quality, dealing with sectors that are not well perceived by the public (weapons industries or embargoed countries, for example), dealing with customers in sanctions lists, rating downgrades, significant variations in the share price of the Consumer Group throughout the year, compliance failures, unethical behaviour, and the activities of customers and counterparties, including activities that negatively affect the environment. Further, negative publicity regarding the Consumer Group may result in harm to its prospects. Actions by the financial services industry generally or by certain members of, or individuals in, the industry can also affect the reputation of the Consumer Group. For example, the role played by financial services firms in the financial crisis and the seeming shift towards increasing regulatory supervision and enforcement has caused public perception of the Consumer Group and others in the financial services industry to decline.

The Consumer Group could suffer significant reputational harm if it fails to identify and manage potential conflicts of interest properly. The failure, or perceived failure, to adequately address conflicts of interest could affect the willingness of clients to deal with the Consumer Group or could give rise to litigation or enforcement actions against the Consumer Group. Therefore, there can be no assurance that conflicts of interest will not arise in the future that could cause the Consumer Group a material harm.

The Consumer Group may be the subject of misinformation and misrepresentations deliberately propagated to harm its reputation or for other deceitful purposes, or by profiteering short sellers seeking to gain an illegal market advantage by spreading false information about the Consumer Group. There can be no assurance that it will effectively neutralize and contain a false information that may be propagated regarding the Consumer Group, which could have an adverse effect on its operating results, financial condition and prospects.

#### ***Financial reporting and control risks***

*Changes in accounting standards could impact reported earnings.*

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 Consumer Group. These changes can materially impact how the Consumer 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 Consumer Group could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements.

### **3. Risks relating to the Notes**

#### **General risks relating to the Notes**

***In any winding up of the Issuer, Holders may not be entitled to receive the currency of issue of the Notes***

Should Holders be entitled to any amount with respect to the Notes in any winding-up of the Issuer, Holders might not be entitled in those proceedings to a recovery in the currency of issue of the Notes and might be entitled only to a recovery in euro or any other lawful currency of Spain or such other jurisdiction in which the Issuer may then be incorporated.

***If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified

Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency and/or the Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

***The Notes may be redeemed prior to maturity at the option of the Issuer or for taxation reasons***

The Issuer may, at its option, redeem all, but not some only, of the Notes, at any time at their early redemption amount, together with accrued but unpaid interest up to (but excluding) the date of redemption, for taxation reasons as further described in Condition 4.

Early redemption features is likely to limit the market value of the Notes. During any period when the Issuer may redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or at any time where there is any actual increase in the likelihood that the Issuer will be able to redeem the Notes early.

It is not possible to predict whether or not a circumstance giving rise to the right to redeem Notes early for taxation reasons will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Notes, and if so whether or not the Issuer will elect to exercise such option to redeem the Notes or any prior consent of the competent authority, if required, will be given. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Suitability***

Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluations of the investment.

Each potential investor in any of the Notes should determine the suitability of such 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 professional advisers, whether it:

- (i) has sufficient knowledge and expertise to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum, taking into account that the Notes may only be a suitable investment for professional or institutional investors;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for payments in respect of the Notes is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes, including the provisions relating to their status, and is familiar with the behaviour of 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 applicable risks.

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

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its advisers to determine whether and to what extent (i) relevant Notes are legal investments for it, (ii) the relevant Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the relevant Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

***The trading market for debt securities may be volatile and may be adversely impacted by many events***

The trading market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other Western and industrialised countries. There can be no assurance that events in Spain, the UK, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

***The terms of the Notes contain very limited covenants and there are no restrictions on the amount or type of further securities or indebtedness which the Issuer may incur***

There is no negative pledge in respect of the Notes and the terms and conditions place no restrictions on the amount or type of debt that the Issuer may issue that ranks senior to the Notes, or on the amount or type of securities it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by Holders upon liquidation, dissolution or winding-up of the Issuer and may limit the ability of the Issuer to meet its obligations in respect of the Notes, and result in a Holder losing all or some of its investment in the Notes.

In addition, the Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those under the Notes.

***Potential conflicts of interest between the investor and the Determination Agent***

Potential conflicts of interest may arise between the Determination Agent, as this term is defined in the Final Terms, if any, for a Tranche of Notes and the Holders (including where a Dealer acts as a determination agent), including with respect to certain discretionary determinations and judgements that such Determination Agent may make pursuant to the terms and conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

***Global Notes held in a clearing system***

Because the Global Notes are held by or on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and possibly other clearing systems, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Final Terms specify that the New Global Note form is not applicable, such Global Note will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg or shall be deposited with such other clearing system, or to the order of such other Clearing System's nominee. If the relevant Final Terms specify that the New Global Note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg and/or any other clearing system will maintain records of the holdings of their participants. In turn, such participants and their clients will maintain records of the ultimate holders of beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or any other clearing system on whose behalf such Global Notes are held.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary (in the case of Global Notes



which are not in the New Global Note form) or, as the case may be, the common service provider (in the case of Global Notes in the New Global Note form) for Euroclear and/or Clearstream, Luxembourg and/or any other clearing system for distribution to their account holders for onward transmission to the Beneficial Owners. A Holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system and their relevant participants, to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such Holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant dated 14 June 2023 (the “**Deed of Covenant**”).

#### ***Credit ratings may not reflect all risks***

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

In general, European regulated investors are restricted under the Regulation (EC) No. 1060/2009 (as amended) (“**CRA Regulation**”) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the relevant Final Terms.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (i) relevant Notes are legal investments for it, (ii) the relevant Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the relevant Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

#### ***Taxation in Spain***

The Issuer is required to receive certain information relating to the Notes. If such information is not received by the Issuer it will be required to apply Spanish withholding tax to any payment of interest in respect of the relevant Notes, or income arising from the payment of Notes issued below par.

Under Spanish Law 10/2014 and Royal Decree 1065/2007 (as amended among others by Royal Decree 1145/2011 of 29 July) (“**Royal Decree 1065/2007**”), as amended, payments of income in respect of the Notes will be made without withholding tax in Spain provided that the Issue and Paying Agent provides to the Issuer at the relevant time a certificate in the Spanish language substantially in the form set out in Exhibit 1, attached hereto.

This information must be provided by the Issue and Paying Agent to the Issuer before the close of business on the Business Day (as defined in the Notes) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each a “**Payment Date**”) is due.

The Issuer and the Issue and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will instruct the Issue and Paying Agent to withhold tax at the then-applicable rate (as at the date of this Information Memorandum 19%) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding.

The Issue and Paying Agency Agreement provides that the Issue and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. See section titled “*Taxation – Taxation in Spain—Information about the Notes in Connection with Payments*”.

The procedures may be modified, amended or supplemented to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof. None of the Issuer or the Dealers assumes any responsibility therefor.

Royal Decree 1065/2007 of 27 July, as amended, provides that any payment of interest made under securities originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another OECD country will be made with no withholding or deduction from Spanish taxes provided that the relevant information about the Notes is received by the Issuer. In the opinion of the Issuer, payments in respect of the Notes will be made without deduction or withholding of taxes in Spain provided that the relevant information about the Notes is submitted by the Issue and Paying Agent to them, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities.

Notwithstanding the above, in the case of Notes held by Spanish 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 Notes may be subject to withholding by such depositary or custodian at the current rate of 19%.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax), the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

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

Reference rates and indices such as EURIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" (each a “**Benchmark**” and together, the “**Benchmarks**”), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing Benchmarks, with further change anticipated. These reforms have resulted in the cessation of certain benchmarks, including LIBOR or the Japanese Yen LIBOR, the cessation of U.S. Dollar LIBOR at the end of June 2023, and other benchmarks could be eliminated or declared unrepresentative. In particular, EONIA (Euro Overnight Index Average) was discontinued on 3 January 2022.

The EU Benchmarks Regulation and the UK Benchmarks Regulation apply to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU and the UK, respectively. The EU Benchmarks Regulation and the UK Benchmarks Regulation among other things, (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based or UK-based, as applicable, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU and UK supervised entities, as applicable, such as the Issuer of Benchmarks of administrators that are not authorised or registered (or, if non-EU based or UK-based, as applicable, not deemed equivalent or recognised or endorsed).

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

More broadly, any of the international or national reforms, 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 following effects on certain Benchmarks including EURIBOR: (i) discourage market participants from continuing to administer or contribute to the Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of, and return on, any Notes linked to or referencing to a Benchmark.

If a Benchmark Event (as defined in paragraph 15 of section “*Forms of Notes*” of this Information Memorandum) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the terms and conditions of the Notes provide that the Issuer may vary the terms and conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the terms and conditions of the Notes also provide that an Adjustment Spread may be determined by the Issuer and applied to such Successor Rate or Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Holders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

*The Issuer may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.*

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable in respect of the last preceding Interest Period before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Payment Date, the Rate of Interest will be the Initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, as the case may be, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply in respect of the next succeeding and any subsequent Interest Periods, as necessary.

Applying the Initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the Initial Rate of Interest or the Rate of Interest applicable in respect of the last preceding Interest Period before the occurrence of the Benchmark Event, will continue to apply to maturity.

To the extent that no Successor Rate or Alternative Rate is adopted and the Determination Agent is unable to determine a rate in relation to any Interest Period, the terms and conditions of the Notes provide that the

rate will be that which was last determined in relation to the Notes in respect of a preceding Interest Period, which results in the Notes becoming, in effect, Fixed Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest is to be determined, in respect of Floating Rate Notes, the terms and conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 Definitions of the International Swaps and Derivatives Association, Inc. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

*The market continues to develop in relation to €STR, SARON, SONIA, SOFR and TONA as reference rates for Floating Rates Notes.*

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

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

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

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

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

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

*The administrator of €STR, SARON, SONIA, SOFR or TONA may make changes that could change the value of €STR, SARON, SONIA, SOFR or TONA discontinue STR, SARON, SONIA, SOFR or TONA.*

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

*Any failure of SOFR to gain market acceptance could adversely affect holders of Notes that pay a floating rate of interest referencing SOFR.*

Holders of Notes that pay a floating rate of interest that references SOFR are exposed to the risk that such rate may not be widely accepted in the market. The risk of this occurring is mitigated by the fact that SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to LIBOR in part because it is considered to be a good representation of general funding conditions in the overnight U.S. Treasury repo market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR to be a suitable substitute or successor for all of the purposes for which LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen its market acceptance. Any failure of SOFR to gain or maintain market acceptance could adversely affect the return on, value of and market for Instruments that pay a floating rate of interest referencing SOFR.

#### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***There are restrictions on the ability to resell Notes***

The Notes have not been registered under the Securities Act, any state securities laws or the laws of any other jurisdiction. Absent such registration, the Notes may be offered or sold only in transactions that are not subject to, or that are exempt from, the registration requirement of the Securities Act and applicable state securities laws.

***There is no active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be admitted to listing on the Regulated Market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

***The taking of actions under Law 11/2015, which partially implements BRRD, and/or the SRM Regulation could materially affect the value of any Notes***

The European Bank Recovery and Resolution Directive (Directive 2014/59/EU) (“**BRRD**”) (which has been implemented in Spain through Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms (“**Law 11/2015**”) and Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (“**Royal Decree 1012/2015**”) is designed to provide authorities with tools to intervene in an unsound or failing 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 the resolution tools set out below to the maximum extent possible while maintaining financial stability.

As provided in the BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the Relevant Resolution Authority considers that (a) an institution is failing or likely to fail, (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 resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities 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 resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down (including to zero) certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt to equity (the general bail-in tool), which equity could also be subject to any application of the relevant resolution tools. In accordance with Article 20 of Law 11/2015, an institution will be considered as failing or likely to fail in any of the following circumstances: (i) it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements 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 failing or likely to fail may depend on a number of factors which may be outside of that institution's control.

Paragraph 22 of Part A of section “*Forms of the Notes*” provides for the contractual recognition by the holders of the Notes (the “**Holders**”) of the conversion or write down upon bail-in.

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 bail-in tool, the sequence of any resulting write-down or conversion by the Relevant Resolution Authority shall be as follows: (i) CET1 instruments; (ii) the principal amount of Additional Tier 1 capital instruments; (iii) the principal amount of Tier 2 capital instruments; (iv) the principal amount of other subordinated claims (*créditos subordinados*) that do not qualify as Additional Tier 1 capital or Tier 2 capital instruments; and (v) the principal or outstanding amount of the eligible liabilities (*pasivos admisibles*) prescribed in Article 41 of Law 11/2015 (which would include the Notes). Any application of the bail-in tool under BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings (unless otherwise provided in applicable banking regulations).

In addition to the Spanish Bail-in Power (as defined in paragraph 22 of Part A of section “*Forms of Notes*”), the BRRD, Article 38 of Law 11/2015 and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 (the “**SRM Regulation**”) provide for the Relevant Resolution Authority to have the further power to convert into equity or permanently write-down (including to zero) capital instruments and certain internal eligible liabilities at the point of non-viability of an institution or a group of which the institution forms part (“**Non-Viability Loss Absorption**” of an institution or a group). The point of non-viability of an institution is the point at which the FROB (the Steering Committee of the Spanish banking resolution authority or *Fondo de Resolución Ordenada Bancaria*), the Single Resolution Board established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of bail-in power from time to time (each, a “**Relevant Resolution Authority**”) as appropriate, determines that the institution meets the conditions for resolution or that it will no longer be viable unless the relevant capital instruments are written down or converted into equity or that extraordinary public support is to be provided and without such support the Relevant Resolution Authority determines that the institution would no longer be viable. The point of non-viability of a group is the point at which the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated solvency requirements in a way that would justify action by the Relevant Resolution Authority in accordance with Article 38.3 of Law 11/2015. Non-Viability Loss Absorption may be imposed prior to or in combination with any exercise of the Spanish Bail-in Power or any other resolution tool or power (where the conditions for resolution referred to above are met).

Under Article 281 of Royal Decree 1/2020, of 5 May, approving the revised text of the Bankruptcy Law (as amended, the “**Insolvency Law**”) read in conjunction with Additional Provision 14.3 of Law 11/2015, the Issuer will meet subordinated claims after payment in full of unsubordinated claims, but before distributions to shareholders, in the following order and pro-rata within each class: (i) late or incorrect claims; (ii) contractually subordinated liabilities in respect of principal (except for those under instruments of the Issuer that qualify as Additional Tier 1 or Tier 2 capital) (iii) interests; (iv) fines; (v) claims of creditors which are specially related to the Issuer (if applicable) as provided for under the Insolvency Law; (vi) detrimental claims against the Issuer where a Spanish Court has determined that the relevant creditor has acted in bad faith (*rescisión concursal*); (vii) claims arising from contracts with reciprocal obligations as referred to in Articles 156 to 158 and 160 to 167 of the Insolvency Law, wherever the court rules, prior to the administrators’ report of insolvency (*administración concursal*) 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 qualify as Tier 2 capital, and (ix) subordinated obligations (*créditos subordinados*) of the Issuer under of instruments that qualify as Additional Tier 1 capital.

The powers set out in the BRRD, as implemented in Spain through Law 11/2015 and the SRM Regulation will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of Notes may be subject to write-down or conversion into equity on any application of the bail-in tool. The exercise of powers under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy their obligations under any Notes. 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 this respect, as indicated in “*The Consumer Group is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition*” above, the CMDI Proposal provides for a general depositor preference in insolvency. If the CMDI Proposal is implemented in its current form, this would mean that the Notes will rank junior to the claims of all depositors, including deposits of large corporates and other deposits that are currently excluded from such privileged claims. Any such general depositor preference would also 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, this would mean that following any such amendment of the insolvency laws of Spain to establish a general depositor preference, any resulting write-down or conversion of the 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, with the current bail-in regime, would have been written-down or converted alongside the Senior Notes. By removing the requirement for such deposits to be written-down or converted in this manner, one of the stated objectives of this proposed amendment 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 Notes. Nevertheless, the exact impact of the CMDI Proposal is not known yet given it is still in the form of a legislative proposal and therefore subject to further amendments. See “*Regulation*”.

There may be limited protections, if any, that will be available to holders of securities subject to the bail-in tool (including the Notes) and to the broader resolution powers 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 bail-in tool.

There remains uncertainty as to how or when the bail-in tool may be exercised and how it would affect the Consumer Group and the Notes. The determination that all or part of the principal amount of the Notes will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control.



## DOCUMENTS INCORPORATED BY REFERENCE

The English language translation of the Issuer’s audited consolidated annual accounts, the notes thereto and the Director’s report included on pages 2-293 of the PDF document of the translation of the Issuer’s Consolidated Annual Accounts and Consolidated Directors’ Report for the year ended 31 December 2022 (the “**2022 Consolidated Financial Statements**”) and the Directors’ report thereon, attached thereto, and on pages 2-297 of the PDF document of the translation of the Issuer’s Consolidated Annual Accounts and Consolidated Director’ Report for the year ended 31 December 2021 (the “**2021 Consolidated Financial Statements**”) and the independent auditors’ report thereon shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Pursuant to Spanish regulatory requirements, Directors’ reports are required to accompany the audited consolidated financial statements as of and for each of the years ended 31 December 2022 and 2021. Investors are cautioned that the reports contain information of various historical dates and may not contain a current description of the business, affairs or results of the Consumer Group. The information contained in the Directors’ reports has not been audited or prepared for the specific purpose of the issue of the Notes and/or this Information Memorandum. Accordingly, the Directors’ reports should be read together with the other sections of this Information Memorandum. Any information contained in the Directors’ reports is deemed to be modified or superseded by any information contained elsewhere in this Information Memorandum that is subsequent to or inconsistent with it. Furthermore, the Directors’ reports include certain forward-looking statements that are subject to inherent uncertainty. Accordingly, investors are cautioned not to rely upon the information contained in such Directors’ reports.

- The 2022 Consolidated Financial Statements:  
[https://www.santanderconsumer.com/wp-content/uploads/2023/05/Consolidated-AR-English-2022\\_VF-1.pdf](https://www.santanderconsumer.com/wp-content/uploads/2023/05/Consolidated-AR-English-2022_VF-1.pdf)
- The 2021 Consolidated Financial Statements:  
<https://www.santanderconsumer.com/wp-content/uploads/2022/04/Consolidated-AR-English-2021-v-05-04.pdf>

In relation to the 2022 Consolidated Financial Statements and the 2021 Consolidated Financial Statements, any information not specified in the cross-reference tables set out below but which is included in the documents from which the information incorporated by reference has been derived, is for information purposes only and is not incorporated by reference because it is not relevant for the investor.

### ***Issuer Annual Financial Information and Annual Report***

The tables below set out the relevant page references in the 2022 Consolidated Financial Statements and the 2021 Consolidated Financial Statements where the following information incorporated by reference in this Information Memorandum can be found:

<b>Information incorporated by reference in this Information Memorandum</b>	<b>2022 Consolidated Financial Statements page reference</b>
1. Independent Auditor’s report on consolidated financial statements for the year ended 31 December 2022.....	2-9
2. Audited consolidated balance sheets at 31 December 2022 and the comparative consolidated financial information of the Issuer at 31 December 2022 and 31 December 2021.....	10-11

3. Audited consolidated income statements for the year ended 31 December 2022 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2022 and 31 December 2021.....	12
4. Audited consolidated statements of recognised income and expense for the year ended 31 December 2022 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2022 and 31 December 2021.....	13
5. Audited consolidated statements of changes in total equity for the year ended 31 December 2022 and the comparative for the years ended 31 December 2022 and 31 December 2021.....	14-15
6. Audited consolidated cash flow statements for the year ended 31 December 2022 and the comparative consolidated cash flow statement of the Issuer for the years ended 31 December 2022 and 31 December 2021.....	16
7. Notes to the consolidated financial statements for the year ended 31 December 2022.....	17-212
8. Directors' report.....	237-293
<b>Information incorporated by reference in this Information Memorandum</b>	<b>2021 Consolidated Financial Statements page reference</b>
1. Independent Auditor's report on consolidated financial statements for the year ended 31 December 2021.....	2-9
2. Audited consolidated balance sheets at 31 December 2021 and the comparative consolidated financial information of the Issuer at 31 December 2021 and 31 December 2020.....	10-11
3. Audited consolidated income statements for the year ended 31 December 2021 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2021 and 31 December 2020.....	12
4. Audited consolidated statements of recognised income and expense for the year ended 31 December 2021 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2021 and 31 December 2020.....	13
5. Audited consolidated statements of changes in total equity for the year ended 31 December 2021 and the comparative for the years ended 31 December 2021 and 31 December 2020.....	14-15
6. Audited consolidated cash flow statements for the year ended 31 December 2021 and the comparative consolidated cash flow statement of the Issuer for the years ended 31 December 2021 and 31 December 2020.....	16
7. Notes to the consolidated financial statements for the year ended 31 December 2021.....	17-213

8. Directors' report.....	237-297
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Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, at the specified offices of the Issuer and the Issue and Paying Agent, the initial specified offices of which are set out below. Copies of such documents are also available for inspection at Euronext Dublin.

## KEY FEATURES OF THE PROGRAMME

<b>Issuer:</b>	Santander Consumer Finance, S.A.
<b>LEI code of the Issuer</b>	5493000LM0MZ4JPMGM90
<b>Risk Factors:</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under “ <i>Risk Factors</i> ”, above.
<b>Arranger:</b>	Barclays Bank Ireland PLC
<b>Dealers:</b>	Banco Santander, S.A., Bank of America Europe DAC, Barclays Bank Ireland PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Market Limited, Commerzbank Aktiengesellschaft, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, Goldman Sachs Bank Europe SE, HPC, ING Bank N.V., J.P. Morgan SE, Natixis, NatWest Markets N.V., Skandinaviska Enskilda Banken AB (publ), Société Générale, UBS Europe SE and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular issue of Notes.
<b>Issue and Paying Agent:</b>	Citibank, N.A., London Branch
<b>Listing Agent:</b>	Walkers Ireland LLP
<b>Programme Amount:</b>	The aggregate principal amount of Notes outstanding at any time will not exceed EUR 10,000,000,000 or its equivalent in alternative currencies subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Dealer Agreement.
<b>Currencies:</b>	Notes may be issued in Euro, Sterling, Swiss Francs, United States Dollars, Swedish Kronor, Norwegian Kroner, Danish Kroner and Polish Zloty, and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.
<b>Denominations:</b>	<p>Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations (or integral multiples thereof):</p> <ul style="list-style-type: none"><li>(a) for U.S.\$ Notes, U.S.\$500,000;</li><li>(b) for Euro Notes, EUR 500,000;</li><li>(c) for Sterling Notes, £100,000;</li><li>(d) for Swiss Franc Notes, CHF 500,000;</li><li>(e) for Swedish Kronor Notes, an amount in SEK equal to a minimum of EUR 100,000;</li><li>(f) for Norwegian Kroner Notes, Nkr 1,500,000;</li><li>(g) for Danish Kroner Notes, Dkr 1,000,000;</li><li>(h) for Polish Zloty Notes, PLN 500,000;</li></ul>

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements.

<b>Maturity of the Notes:</b>	Not less than 1 nor more than 364 days, subject to legal and regulatory requirements.
<b>Tax Redemption:</b>	Early redemption will only be permitted for tax reasons as described in the terms of the Notes.
<b>Redemption on Maturity:</b>	The Notes may be redeemed at par.
<b>Issue Price:</b>	The Issue Price of each issue of Notes (or, if applicable in the case of discount notes, the discount rate) will be as set out in the relevant Final Terms.
<b>Fixed Rate Notes:</b>	Fixed interest bearing Notes (“ <b>Fixed Rate Notes</b> ”) will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and will be calculated on the basis of such Day Count Convention as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	<p>Floating rate bearing Notes (“<b>Floating Rate Notes</b>”) will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Convention, as may be agreed between the Issuer and the relevant Dealer.</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both, as set out in the relevant Final Terms.</p>
<b>Status of the Notes:</b>	<p>The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations (<i>créditos ordinarios</i>) of the Issuer. In accordance with the restated text of the Spanish Insolvency Law, approved by Legislative Royal Decree 1/2020, of 5 May (<i>Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la ley concursal</i>) (as amended from time to time, the “<b>Insolvency Law</b>”) and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon insolvency (<i>concurso de acreedores</i>) of the Issuer, the payment obligations of the Issuer under the Notes in respect of principal (unless they qualify as subordinated claims (<i>créditos subordinados</i>) under Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) <i>pari passu</i> and rateably without any preference among themselves and with any Senior Higher Priority Liabilities and (b) senior to (i) Senior Non-Preferred Liabilities and (ii) any present</p>

and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law.

“**Law 11/2015**” means Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time.

“**Senior Higher Priority Liabilities**” means any obligations in respect of principal of the Issuer under any Notes and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non-Preferred Liabilities; and

“**Senior Non-Preferred Liabilities**” means any unsubordinated and unsecured senior non-preferred obligations (*créditos ordinarios no preferentes*) of the Issuer 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 Liabilities.

**Ratings:**

Tranches of Notes may be rated or unrated and, if rated, such ratings will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

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

**Taxation:**

All payments under the Notes will be made without deduction or withholding for or on account of any present or future Spanish withholding taxes, unless the withholding is required by law (as stated in paragraph 3 and under the heading “*Taxation – Taxation in Spain*”). In that event, subject to customary exceptions, the Issuer will pay such additional amounts as stated in the Notes.

**Information Requirements under Spanish Tax law**

Under Spanish Law 10/2014 and Royal Decree 1065/2007, each as amended, the Issuer is required to receive certain information relating to the Notes.

If the Issuer and Paying Agent fails to provide the Issuer with the required information described under “*Taxation – Taxation in Spain*”, the Issuer will be required to withhold tax and may pay income in respect of the relevant Notes net of the Spanish withholding tax applicable to such payments (as at the date of the Information Memorandum 19%).

None of the Issuer, the Arranger, the Dealers or the European clearing systems assumes any responsibility therefor.

**Form of the Notes:**

The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a “**Global Note**”, and together the “**Global Notes**”). Each Global Note which is intended to be issued in classic global note form (a “**Classic Global Note**” or “**CGN**”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in

new global note form (a “**New Global Note**” or “**NGN**”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes will be exchangeable for Definitive Notes in whole, but not in part, in the limited circumstances set out in the Global Notes (see “*Certain Information in Respect of the Notes – Forms of Notes*”).

- Listing and Trading:** Each issue of Notes may be admitted to the Official List and admitted to trading on the regulated market of Euronext Dublin and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer. The Issuer shall be responsible for any fees incurred therewith. The Issuer shall notify the relevant Dealer of any change of listing venue in accordance with the Dealer Agreement. No Notes may be issued on an unlisted basis.
- Delivery:** The Notes will be available in London for delivery to Euroclear or Clearstream, Luxembourg or to any other recognised clearing system (as its nominee or depository) in which the Notes may from time to time be held.
- Selling Restrictions:** The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, the United Kingdom, EEA, Japan, Singapore, the Kingdom of Spain, France, Norway, the Kingdom of Sweden, Denmark, Switzerland, Taiwan and/or such other restrictions as may be required in connection with the offering and sale of the Notes (see “*Subscription and Sale*”).
- Governing Law:** The status of the Notes, the capacity of the Issuer, the exercise of the Bail-in Power by the Relevant Resolution Authority and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and conditions of the Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.
- Use of Proceeds:** The net proceeds of the issue of the Notes will be used for the general funding purposes.

## SANTANDER CONSUMER FINANCE, S.A.

*An investment in the Notes may involve a high degree of risk. In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Information Memorandum a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risk associated with Notes issued under the Programme are detailed below. The factors discussed below regarding the risks of acquiring or holding any Notes are not exhaustive, and additional risks and uncertainties that are not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Notes.*

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

### History and Development

The Issuer's legal name is Santander Consumer Finance, S.A. (the "**Issuer**" or "**SCF**"), its commercial name is "Santander Consumer" and its LEI Code is 5493000LM0MZ4JPMGM90. The Issuer belongs to a consolidated group of credit institutions, the parent company of which is Banco Santander, S.A. (the "**Banco Santander Group**").

The Issuer is registered in the Mercantile Registry of Madrid with the Fiscal Identification Code number A 28122570. It is also registered under the number 0224 in the Register of Banks maintained by the Bank of Spain.

The Issuer was established as a limited liability company (*sociedad anónima*) under the legal name "Banco de Fomento, S.A." by way of a deed (*escritura*) granted by the Notary of Madrid Mr. Urbicio López Gallego, acting as the substitute of his colleague Mr. Alejandro Bérnago Llabrés but with Mr. Bérnago Llabrés' notarial number 2.842, on 31 August 1963. In 1995, the Issuer changed its name to "Hispaner Banco Financiero, S.A." and then changed it again in 1999 to "HBF Banco Financiero, S.A.". The Issuer's current name, Santander Consumer Finance, was changed on 19 December 2002 and published in the Official Bulletin of the Mercantile Registry (*Boletín Oficial del Registro Mercantil*) on 13 January 2003.

The Issuer began operations on the same day that it was established and was established for an indefinite term. The Issuer's activity is subject to the Spanish legislative regime applicable to financial institutions in general and, in particular, to the supervision, control and rules of the Bank of Spain and the Spanish National Securities Market Commission (the "CNMV"). The Issuer is subject to the CNMV's code of good governance which, amongst other things, safeguards against abuse of control. In addition, the Issuer's parent company, Banco Santander prepares an annual corporate governance report which it publishes and presents to the CNMV. Banco Santander also has an audit and compliance committee which supervises its compliance with such governance rules and the CNMV's code of good governance.

The authorised and paid up share capital of the Issuer as at 31 December 2022 was €5,638,638,516 divided into 1,879,546,172 ordinary shares having a face value of €3 each. All issued share capital is fully paid up.

The registered office of the Issuer is located at Ciudad Grupo Santander, Avenida de Cantabria, s/n, Boadilla del Monte (Madrid), Spain. The telephone number of the Issuer's registered office is +34 91 289 0000. The website of the Issuer is <https://www.santanderconsumer.com>. The information on this website does not form part of this Information Memorandum unless that information is explicitly incorporated by reference into this Information Memorandum.

### Business Overview

#### *Principal Activities of the Issuer*

The Issuer's objective is to receive funds from the public in the form of deposits, loans, repos or other similar transactions entailing the obligation to refund them, and to use these funds for its own account to



grant loans and credits or to perform similar transactions. In addition, the Issuer is the holding company of a finance group and handles the investments of its subsidiaries.

The Issuer is part of the Banco Santander Group (as described above), the parent entity of which (Banco Santander) had a 100% direct and indirect ownership interest in the share capital of the Issuer as at 31 December 2022. Banco Santander has its registered office at Paseo de Pereda 9-12, Santander.

The Consumer Group's primary activity is related to automobile financing, personal loan and credit card businesses. However, it also works at attracting customer funds. The Consumer Group has 250 branches located throughout Europe (49 of which are in Spain) and engages in finance leasing, financing of third party purchases of consumer goods of any kind, full-service leasing ("renting") and other activities. Additionally, since December 2002, the Issuer has been the head of a European corporate group, consisting mainly of financial institutions, which engages in commercial banking, consumer finance, operating and finance leasing, full-service leasing and other activities in Germany, Italy, Austria, France, the Netherlands, Belgium, Greece, Norway, Finland, Denmark, Sweden, Switzerland, Portugal and United Kingdom. The role of the Issuer as head of the European Consumer Group can be summarized in four key points: (a) driving new agreements with auto and motorcycle manufacturers on an European level; (b) driving the progress towards a more digital and analytical consumer finance model; (c) promoting the implementation of best practices; and (d) watching over the capital efficiency and promoting the measures needed in order to improve it.

The Issuer's strategy consists of establishing agreements with authorised agents (mainly dealers) in order to deliver finance for automobiles and other consumer goods. The Issuer also seeks to generate loyalty affiliations with final customers by directly offering them other products such as credit cards. The Issuer's primary business, however, continues to be the financing of new and used cars.

Enjoying as it does a strong leadership position in the European consumer finance market, and specialising in auto finance, loans for the purchase of durable goods, personal loans and credit cards, the Consumer Group has displayed consistent profitability, reporting an attributable profit of €1,242.9 million in 2022 (Sources: internal SCF estimates based on information from competitors, local associations, magazines and market knowledge).

Loans and advances amounted to €106,909.5 million in 2022, up 6.7% for the year.

On the liability side, customer deposits rose 5.7% while a total of €41,327.2 million in wholesale funding was secured in the year, through senior issuances, securitisations and other long-term issues.

In 2022 attributable profit amounted to €1,242.9 million (5.8% with respect to 2021).

Operating expenses grew by 4.9% due to inflation and new strategic investments which will allow the increase of future income and reduce operational expenses; as well as business additions to the SCF perimeter. Efficiency ratio (cost to income) stood at 41.87%.

Loan loss provisions were 8.7% lower than the previous year thanks to portfolio sales and a solid credit evolution of the portfolio. Cost of credit reaching 0.42% compared to 0.50% in the previous year and an NPL ratio of 2.06% (0 bps). Coverage stood at 88.61%.

In short, the Consumer Group continued to prove that it can maintain high profitability and streamlined efficiency.

### **New Business of the Issuer in 2022**

The volume of new loans at December 2022 was €45,725 million, up by 10.7% compared with the previous year. Mainly higher volumes due to Cars business which increased €2,004 million.

The area's strategy, penetration and diversification have achieved a Top 3 share in our main markets.

The units with higher productions in 2022 were Germany (36.1%), Nordics (20.7%), Spain (13.4%), France (10.8%) and Italy (9.4%).

The following table summarises new financing extended in 2022 by product line, compared with the previous year:

<b>Unaudited</b>	<b>2022 financial year</b>	<b>Percentage of total activity</b>	<b>2021 financial year</b>	<b>Variation 2022/2021</b>
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<i>New Business</i>	(millions of euro)	(%)	(millions of euro)	(%)
Cars	32,607	71.3%	30,603	6.5%
New cars	19,128	41.8%	18,865	1.4%
Used Cars	13,479	29.5%	11,738	14.8%
Consumer Financing and Credit Cards	5,599	12.2%	5,045	11.0%
Direct	5,390	11.8%	4,369	23.4%
Mortgages	323	0.7%	293	10.1%
Other	1,806	4.0%	980	84.2%
Total financing activity	45,725	100%	41,291	10.7%

The automotive business comprises all the businesses related to the financing of new and used vehicles, including operating and finance leases.

Consumer financing and the credit cards business reflect the income from consumer products distributed through intermediaries (subscription agents or dealers) not included in the direct finance business. Credit cards represent the business of extending consumer credit by means of credit cards, including the management of the credit cards.

Direct financing comprises the financing of consumer products distributed through the Consumer Group's own channels, without the use of intermediaries. It includes the marketing of personal loans for small amounts, with a short granting and approval period.

The mortgage financing business includes all activities related to financing backed by property as collateral.

Other businesses include operations that do not fit into any of the above categories.

At the end of 2022, the consolidated customer funds under management (customer deposits and marketable debt securities) reached €80,183 million, representing an increase of 0.6% compared to the €79,741 million recorded in the previous financial year. The Consumer Group holds banking licenses in the majority of the countries in which it operates. One of its main sources of funding is customer deposits in Germany and the Nordics. Customer deposits increased by 5.7% (from €39,088 million in 2021 to €41,327 million in 2022).

On the other hand, consolidated marketable debt securities decreased by 4.4%. As of 31 December 2022, the balance of conditional long-term financing from the European Central Bank TLTRO (Targeted Longer-Term Refinancing Operation) amounted to €18,160 thousand (€20,218 thousand in 2021), all belonging to TLTRO III.

The SCF's General Meeting, held on 3 March 2022, agreed to authorize the SCF's Board of Directors to issue multicurrency fixed-income securities up to an amount of €45 billion. In turn, the Board of Directors, at its meeting held on 28 April 2022, delegated these powers to the SCF's Executive Committee. The Executive Committee, at its meeting held on 19 May 2022, resolved to issue a Euro Medium Term Note Programme, replacing the one described above, for a maximum nominal outstanding amount not exceeding €25 billion. This programme was listed on the Irish Stock Exchange on 16 June 2022.

As of 31 December 2022, the outstanding balance of these notes amounts to €12,943 million (€13,127 million in 2021), and their maturity date is between 30 May 2023 and 12 May 2032. The annual interest rate on these securities stands at 0% and 4.110% (0% and 1.356% in 2021).

The following table summarises customer funds under management in 2022, as compared to the previous financial year (the data does not include valuation adjustments or subordinated debt):

<b>Customer Funds under management</b>	<b>2022 Financial year (audited)</b>	<b>2021 Financial year (audited)</b>	<b>Variation 2022/2021</b>
	(millions of euro)	(millions of euro)	(%)
Customer deposits	41,327	39,088	5.7%
Marketable debt securities	38,856	40,652	-4.4%
<b>Total client funds on balance sheet</b>	<b>80,183</b>	<b>79,741</b>	<b>0.6%</b>

### **Main Markets in which the Issuer Competes**

This primary level of segmentation, which is based on the Consumer Group's management structure, comprises six segments relating to five operating areas. The operating areas, which include all the business activities carried on therein by the Consumer Group, are Spain, Italy, Germany, Nordics, France and Other.

The following tables summarise customer lending and customer deposits by geographical area as at 31 December 2022, in comparison with the previous year (the data does not include valuation adjustments or subordinated debt):

### **Loans and advances to customers**

	<b>2022 Financial year (audited)</b>	<b>% of total activity</b>	<b>2021 Financial year (audited)</b>	<b>Variation 2022/2021</b>
	(millions of euro)	(%)	(millions of euro)	(%)
Spain and Portugal	16,480	15.5%	15,517	6.2%
Italy	10,180	9.6%	8,918	14.2%
Germany and Austria	41,532	39.0%	38,223	8.7%
France	15,748	14.8%	14,563	8.1%
The Nordics	17,394	16.3%	17,088	1.8%
United Kingdom	2,798	2.6%	2,948	-5.1%
Other Areas & Intragroup adjustments	2,367	2.2%	2,303	2.8%
<b>Total</b>	<b>106,500</b>	<b>100%</b>	<b>99,560</b>	<b>7.0%</b>

### **Customer Deposits**

	<b>2022 Financial year (audited)</b>	<b>% of total activity</b>	<b>2021 Financial year (audited)</b>	<b>Variation 2022/2021</b>
	(millions of euro)	(%)	(millions of euro)	(%)
Spain and Portugal	2,071	5.0%	1,634	26.8%
Italy	1,358	3.3%	1,290	5.2%

Germany	25,201	61.0%	23,519	7.2%
France	3,387	8.2%	3,468	-2.3%
Scandinavia	7,218	17.5%	7,341	-1.7%
Austria	2,061	5.0%	1,789	15.2%
Other	31	0.1%	48	-34.7%
<b>Total</b>	<b>41,327</b>	<b>100%</b>	<b>39,088</b>	<b>5.7%</b>

### Alternative performance measures

In addition to financial information presented or incorporated by reference herein and prepared under IFRS-EU, certain APMs are included herein. The Issuer believes that the presentation of the APMs included herein complies with the ESMA Guidelines.

The financial measures contained in herein or incorporated by reference herein that qualify as APMs and non-IFRS measures have been calculated using the financial information from the Issuer but are not defined or detailed in the applicable financial information framework or under IFRS and have neither been audited nor reviewed by the Issuer's auditors. Prospective investors are cautioned not to place undue reliance on these measures, which should be considered as supplemental to, and not a substitute for, the financial information prepared in accordance with IFRS-EU included or incorporated by reference herein.

The Issuer uses these APMs and non-IFRS measures when planning, monitoring and evaluating its performance. The Issuer considers these APMs and non-IFRS financial measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period. While the Issuer believes that these APMs and non-IFRS financial measures are useful in evaluating its business, this information should be considered as supplemental in nature and is not meant as a substitute of IFRS measures. In addition, other companies, including companies in the Issuer's industry, may calculate such measures differently, which reduces their usefulness as comparative measures.

### Efficiency ratio (cost to income)

The efficiency ratio (cost to income) is one of the most commonly used indicators when comparing (cost to income) productivity of different financial entities. It measures the total income amount of resources used to generate the Issuer's operating income.

The efficiency ratio (cost to income) is the result of dividing the underlying operating expenses by the underlying total income (Gross Margin). For this purpose, underlying operating expenses is the sum of administrative expenses and amortisations.

	2022 Financial year	2021 Financial year
Efficiency ratio (cost to income)	41.87%	41.76%
	(thousands of euro)	(thousands of euro)
Underlying operating expenses	1,945,415	1,855,268
Underlying total income (Gross Margin)	4,646,491	4,442,574

### Non-performing loans

It is defined as the total amount of doubtful balances with Customers, that is, positions classified as simple state of non-performing, precontentious doubtful balances, contentious and non precontentious doubtful balances. It is also sometimes referred to as "Low Credit Quality Loans".

### Non-performing loans ratio

The non-performing loans ratio is an important variable regarding financial institutions' activity since it gives an indication of the level of risk the entities are exposed to. It calculates risks that are, in accounting terms, declared to be non-performing as a percentage of the total outstanding amount of customer credit.

The non-performing loans ratio is the result of dividing the non-performing loans and advances to customers, by total loans and advances to customers.

	<b>2022 Financial year</b>	<b>2021 Financial year</b>
Non-performing loans ratio	2.06%	2.06%
	(thousands of euro)	(thousands of euro)
Non-performing loans and advances to customers – stage 3 and risk contingencies, commitments and guarantees granted	2,239,154	2,099,018
Total loans and advances to customers and guarantees granted	108,818,130	102,030,087

#### **Coverage ratio (“Coverage”)**

The Coverage is a fundamental metric in the financial sector. It reflects the level of provisions as a percentage of the non-performing assets (credit risk). Therefore it is a good indicator of the entity's solvency against client defaults both present and future.

The coverage ratio is the result of dividing provisions to cover impairment losses on loans and advances to customers by non-performing loans and advances to customers – stage 3 and risk contingencies.

	<b>2022 Financial year</b>	<b>2021 Financial year</b>
Coverage	88.61%	102.65%
	(thousands of euro)	(thousands of euro)
Provisions to cover impairment losses on loans and advances to customers and contingent liabilities and commitments.	1,984,064	2,154,583
Non-performing loans and advances to customers – stage 3 and risk contingencies, commitments and guarantees granted	2,239,154	2,099,018

#### **The cost of credit ratio**

Quantifies loan-loss provisions arising from credit risk over a defined period of time for a given loan portfolio. As such, it acts as an indicator of credit quality.

Ratio obtained by dividing, in the numerator, the Total loan-loss provisions and in the denominator, the Average balance of the Gross Customer Loans over the 12 months in the reporting period. It indicates the credit quality of the loan portfolio.

	<b>2022 Financial year</b>	<b>2021 Financial year</b>
Cost of credit	0.42%	0.50%
	(thousands of euro)	(thousands of euro)
Impairment (*)	451,931	495,060

Loans and advances - Customers	106,499,832	99,559,662
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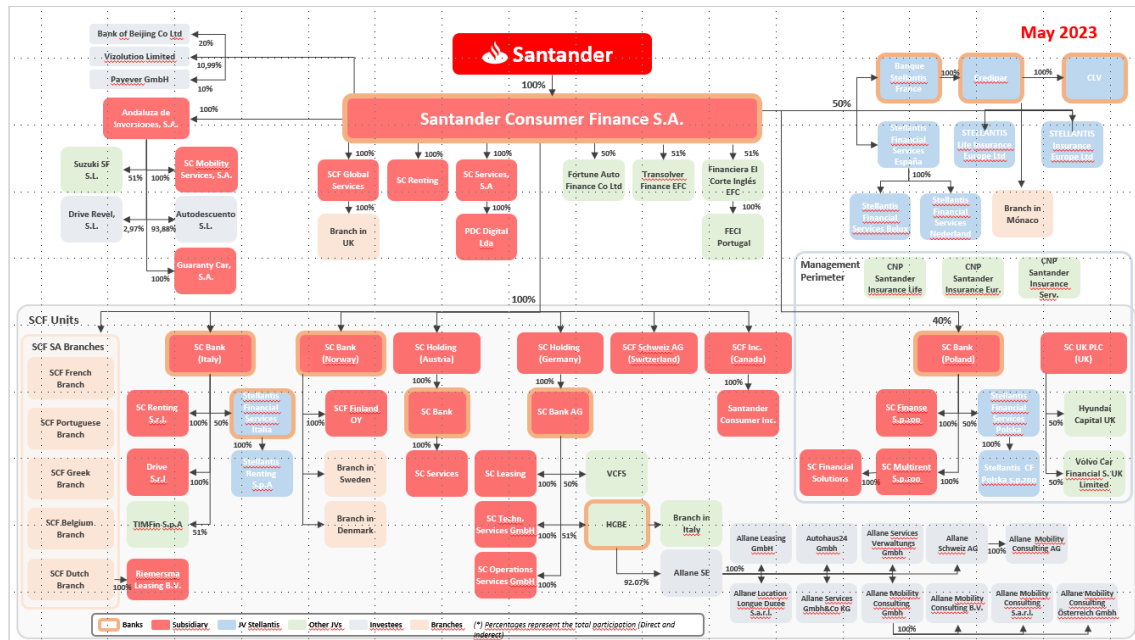
(\*) Impairment or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes.

## Organisational Structure

The Issuer is the parent company of a group of companies providing consumer finance services within the Banco Santander Group (the “Consumer Group”).

The growth experienced by the Consumer Group in recent years has resulted in the Issuer acting, in addition to its consumer-financing role, as shareholder of different Consumer Group companies.

The diagram below summarises the organisational structure of the Consumer Group as of May 2023:



## Recent Developments

### 2022 and 2023

#### Stellantis agreement

On 1 April 2022, SCF announced that it had reshaped its agreement with Stellantis to finance the vehicles of all the automaker’s brands in seven European countries: Belgium, France, Luxembourg, Italy, the Netherlands, Poland, Portugal and Spain.

The partnership, which was established in 2014 to finance Peugeot, Citroën and DS vehicles, has since 3 April 2023, upon closing of the new cooperation agreements, been effectively enhanced. Within the aforementioned countries, SCF and Stellantis act jointly as captive finance provider in the credit, finance lease and operational lease for private customers, the latter on a non-exclusive basis, for all the brands of the automaker: Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS, Fiat, Fiat Professional, Jeep, Lancia, Maserati, Opel, Peugeot, RAM and Vauxhall. As part of the transaction, SCF has sold its stakes in PSA Bank Deutschland GmbH, including its Austrian branch, and PSA Finance UK Ltd to BNP Paribas Personal Finance.

The consolidation as Stellantis’ key financing partner strengthens SCF’s leadership in the European auto finance market. SCF expects its outstanding portfolio from Stellantis’ brands to reach up to €40 billion by 2026.

#### Intragroup corporate transactions

In 2022, one of the Issuer’s areas of attention continued to be the simplification of its legal and IT structure. The aim is to simplify and create efficiencies, and that’s why the Issuer executed first in

December 2020 its merger with Santander Consumer EFC S.A. in Spain. In addition, the Issuer has executed the following corporate transactions between 2021 and 2022:

- Merger of SCF and Santander Consumer Bank S.A. (former Belgian subsidiary of SCF) and establishment of a branch in Belgium, which absorbed the Belgian banking subsidiary Santander Consumer Bank S.A. on March 2021, hence the former business of Santander Consumer Bank S.A. is now being carried out by such branch.
- Merger of SCF and Banco Santander Consumer Portugal, S.A. (former Portuguese subsidiary of SCF) and establishment of a branch in Portugal, which absorbed the Portuguese banking subsidiary Banco Santander Consumer Portugal, S.A. on 1 October 2021, hence the former business of Banco Santander Consumer Portugal, S.A. is now being carried out by such branch.
- Merger of SCF and Santander Consumer Finance Benelux B.V. (former Dutch subsidiary of SCF) and establishment of a branch in the Netherlands, which absorbed the Dutch subsidiary Santander Consumer Finance Benelux B.V. on 29 November 2021, hence the former Dutch business of Santander Consumer Finance Benelux B.v. is now being carried out by such branch. In addition, Santander Consumer Finance Benelux B.V. had a branch in Belgium through which it conducted business in that country. Since the merger, the business has been carried on through the Belgian branch of SCF which was already operational.
- Merger of SCF and Santander Consumer Banque S.A. (former French subsidiary of SCF) and establishment of a branch in France, which absorbed the French banking subsidiary Santander Consumer Banque S.A. on 22 October 2022, hence the former business of Santander Consumer Banque S.A. is now being carried out by such branch.
- Merger of SCF and Santander Consumer Mediación Operador de Banca-Seguros Vinculado, S.L.U., which was effective as of 30 July 2021.

#### **TIM-SCB JV S.p.A**

On 17 February 2020, the Consumer Group, through its Italian subsidiary Santander Consumer Bank, S.p.A., entered into a joint venture agreement with the Italian mobile, telecommunications and Internet company TIM, S.p.A., with stakes of 51% and 49%, respectively TIM-SCB JV S.p.A.

The company had an initial share capital of €2 million, consisting of 2 million shares with a par value of €1 each. Each partner contributed capital in accordance with its percentage shareholding.

On 29 October 2020, a capital increase of €4 million was agreed to reach a share capital figure of €6 million. This capital increase was subscribed and paid up by the shareholders according to their percentage shareholdings. The capital increase was carried out by issuing 4 million shares with a par value of €1 each.

On 4 January 2021, the pending capital increase of €34 million was carried out to reach share capital of €40 million and start up the business. This capital increase was subscribed by the shareholders in line with their percentage shareholdings. The capital increase was carried out by issuing 34 million new shares with a par value of €1 each.

On 4 April 2023, a shareholders contribution to reserves, for a total amount of €20 million in TIMFin, S.p.A., was made.

#### **Hyundai Capital Bank Europe, GmbH.**

On 4 November 2020, Santander Consumer Bank AG, Hyundai Capital Services Inc. and Hyundai Capital Bank Europe, GmbH entered into an addendum to the original shareholders' agreement in order to open a branch of Hyundai Capital Bank Europe, GmbH in Italy to engage in auto financing for Hyundai and Kia (end customers and dealers), as well as other related services, by raising funds from the public via deposits and loans in the Italian market.

The Italian branch of HCBE was effectively open and is operating in Italy since 2021.

#### **Ratings review of the Issuer's rating**

On 20 April 2023, Fitch confirmed the SCF Long-Term IDR at A-, the short-term IDR at F2, the Deposit ratings: long-term/short-term at A/F1, and the Senior Preferred debt: long-term/short-term at A/F1

On 22 March 2022, S&P revised the outlook on SCF from negative to stable, and affirmed its long and short term ratings at A/A-1.

On 18 July 2002, Moody's affirmed SCF deposit ratings at A2/Prime-1 and its senior unsecured debt ratings at A2 (Outlook Stable).

As at the date of this Information Memorandum the following credit ratings have been assigned to the Issuer and to certain debt instruments of the Issuer:

<b>Moodys:</b>	
Issuer Long Term credit rating:	A2
Issuer Short Term credit rating:	P1
Outlook:	Stable
Senior Unsecured Debt:	A2
Subordinated Debt:	Baa2
<b>S&amp;P:</b>	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/-/A-1
Outlook:	Stable
Commercial Paper (Local Currency)	A-1
Senior Subordinated	BBB+
Senior Unsecured	A
Short-Term Debt	A-1
Subordinated Debt:	BBB
<b>Fitch:</b>	
Issuer Long Term credit rating:	A-
Issuer Short Term credit rating:	F2
Outlook:	Stable
Long-term/Short term senior preferred Debt:	A
Long-term/Short-term senior preferred Debt:	F1

#### **Spanish Supreme Court ruling regarding interest rates**

The Spanish Supreme Court (*Tribunal Supremo*) issued a ruling with specific relevance to credit agreements relating to credit cards as a form of revolving credit and/or deferred payments (ruling 149/2020 of 4 March 2020). The ruling established (i) that credit cards as a form of revolving credit are a specific segment within the credit facilities market; (ii) that the Bank of Spain publishes a specific benchmark interest rate for this product in its official statistics gazette (*Boletín Estadístico*), which is the one to be used to determine the “normal interest of money”; (iii) that the average interest rate applicable to credit card and revolving credit transactions as published in the official statistics of the Bank of Spain was slightly higher



than 20% and (iv) that an annual percentage rate like the one analysed in the case studied by the Spanish Supreme Court, that is, between 26.82% and 27.24%, is “significantly disproportionate”, which entails that the relevant contract shall be considered null and void and the relevant interest paid by the consumer shall be refunded. Unlike the preceding court ruling in this matter, which applied the supra duplum rule to determine when the interest rate shall be considered disproportionate (i.e. when exceeding twice the average ordinary interest rate), this new ruling does not provide specific criteria or accuracy which may allow entities to establish with legal certainty which level or gap from the “normal interest of money” can lead to the relevant agreement being considered null and void. This circumstance will probably lead to an increase in litigation and diverse judicial positions the impact of which cannot be determined at this time (although it is not expected to be material) and which will be specifically followed up and specifically managed.

### Capital increases

In 2022 and during the first quarter of 2023, in addition to the transactions described above, certain investees carried out capital increases that were fully subscribed and paid. The most significant of these were as follows:

Capital increases <sup>(*)</sup>	
SANTANDER CONSUMER LEASING GMBH	EUR 50 million
SANTANDER CONSUMER MULTIRENT SP. z o.o	PLN 125 million
SANTANDER CONSUMER RENTING S.R.L.	EUR 4 million
DRIVE S.r.l.	EUR 4 million
SANTANDER CONSUMER FINANCE INC.	CAD 40 million <sup>(**)</sup>

(\*) Includes, exclusively, the disbursements made by the Consumer Group on these capital increases.

(\*\*) Canadian dollars.

### Notifications of acquisitions of investments

The notifications of acquisitions of ownership interests which, as the case may be, must be disclosed in the notes to the consolidated financial statements in accordance with Article 155 of the Spanish Limited Liability Companies Law and Article 125 of Legislative Royal Decree 4/2015, of 23 October, was approved the Spanish Consolidated Securities Market Law, are included, as appropriate, in Appendix III.

### Events after the reporting period

There are no relevant events after the reporting period.

### Board of Directors

The board of directors has extensive powers to manage, administer and govern all matters related to the Consumer Group’s business, subject only to any powers exercisable solely by the General Meeting of shareholders. SCF’s board of directors, in accordance with its corporate by laws (*estatutos sociales*), is comprised of no less than five and no more than fifteen members appointed by the General Meeting of shareholders for a three-year term and re-elected as applicable for further three-year terms. All of the directors are appointed by the Banco Santander Group, owner of 100% of the shares of the Issuer, at the General Meeting of shareholders. Members of the board of directors may not necessarily be shareholders, except in the event that vacancies on the board of directors arise during the interval between General Meetings, in which case, the relevant vacancy is typically filled by the board of directors itself by co-opting the shareholders.

As at the date of this Base Prospectus, the board of directors is comprised of eleven members, excluding the Non-Director Secretary and Non-Director Vice Secretary, as set out in the table below:

Board Members	Functions	1st Appointment Date	Reelection Date
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Ms. Ana Patricia Botin-Sanz de Sautuola	Chair	22/05/2023	-
Mr. Jose Luis de Mora Gil Gallardo	CEO	26/11/2015 17/12/2020 / CEO	24/02/2022
Mr. Ezequiel Szafir	CEO	17/12/2020	-
Mr. Sebastian Jorge Gunningham	Deputy Chairman	28/07/2020 22/05/2023 (Deputy Chairman)	
Mr. Javier Monzón de Cáceres	Deputy Chairman	22/10/2020	-
Mr. Antonio Escámez Torres	Member of the Board	10/06/1999	24/02/2022
Mr. Jose Manuel Robles Fernández	Member of the Board	30/10/2018	16/12/2021
Ms. Marta Elorza Trueba	Member of the Board	22/05/2023	-
Ms. Emma Fernández Alonso	Member of the Board	22/05/2023	-
Mr. Michael Rhodin	Member of the Board	22/05/2023	-
Ms. Cristina Ruiz Ortega	Member of the Board	22/05/2023	-
Mr. Fernando García Solé	Non-Director Secretary	22/07/1999	-
Mr. Victor Dorado González	Non-Director Secretary Vice	17/12/2020	-

The principal outside activities carried out by members of the board of directors at the date of this Base Prospectus include:

<b>Directors</b>	<b>Company Name</b>	<b>Functions</b>
Ms. Ana Patricia Botin-Sanz de Sautuola	Banco Santander, S.A.	Chair
	Santander Consumer Finance, S.A.	Chair
	Open Bank, S.A.	Chair
	Open Digital Services, S.L.	Chair
	PagoNxt, S.L.	Chair
	Santander Bank, NA	Non-executive Member
Mr. Sebastian Gunningham	Santander Holdings USA, Inc	Non-executive Member
	Open Bank, S.A	Deputy Chairman
	Santander Consumer Finance, S.A.	Deputy Chairman
	Open Digital Services, S.L.	Deputy Chairman
	Santander Digital Businesses, S.L.	Member of the Board
Get Fabric Ltd	Member of the Board	

Mr. Javier Monzón de Cáceres	Santander Consumer Finance, S.A. Open Bank, S.A. Open Digital Services, S.L.	Deputy Chairman Deputy Chairman Deputy Chairman
Mr. Jose Luis de Mora Gil-Gallardo	Santander Consumer Finance, S.A. Open Bank, S.A. Open Digital Services, S.L. BANK ZACHODNI WBK Santander Fintech Holdings, S.L. Financiera El Corte Inglés, EFC, S.A. Santander Fintech Limited CFA Society Spain Santander Fintech Limites (Santander Innoventures)	CEO Member of the Board Member of the Board Member of the Board Member of the Board Member of the Board Member of the Board Chairman of the Board Member of the Board
Mr. Ezequiel Szafir	Santander Consumer Finance, S.A. Open Bank, S.A. Open Digital Market, S.L. Open Digital Services, S.L.	CEO CEO Chairman of the Board CEO
Mr. Antonio Escámez Torres	Santander Consumer Finance, S.A. Fundacion Konecta Santander Bank Poslka S.A. Open Bank, S.A. Open Digital Services, S.L.	Member of the Board Chairman of the Board Chairman of the Supervisory Board Member of the Board Member of the Board
Mr. Jose Manuel Robles	Santander Consumer Finance, S.A. Open Bank, S.A. Open Digital Services, S.L.	Member of the Board Member of the Board Member of the Board
Ms. Marta Elorza Trueba	Santander Consumer Finance, S.A. Open Bank, S.A. Open Digital Services, S.L.	Member of the Board Member of the Board Member of the Board
Ms. Emma Fernández Alonso	Santander Consumer Finance, S.A. Open Bank, S.A. Open Digital Services, S.L. Metrovacesa, S.A. Axway Software, S.A. Gigas Hodsting, S.A.	Member of the Board Member of the Board Member of the Board Member of the Board Member of the Board Member of the Board
Mr. Michael Rhodin	Santander Consumer Finance, S.A. Open Bank, S.A.	Member of the Board Member of the Board

	Open Digital Services, S.L.	Member of the Board
Ms. Cristina Ruiz Ortega	Santander Consumer Finance, S.A.	Member of the Board
	Open Bank, S.A.	Member of the Board
	Open Digital Services, S.L.	Member of the Board
	Santander España ( <i>unidad organizativa de España</i> )	Member of the Board
	Santander España ( <i>unidad organizativa de España</i> )	Transformation Manager
	Saica Group	Member of the Board

The board of directors meets at least six times a year and may meet more frequently in certain circumstances.

The professional address of the members of the board of directors is Ciudad Grupo Santander, Avenida de Cantabria s/n, Boadilla Del Monte (Madrid, Spain).

In the last board of directors held on 22 May 2023, the amendment of the board regulations was approved. Such regulations contemplate the rules of each the committees of the board of directors. Likewise, the rules on the executive committee were moridified to expressly envisage the fact that the chair of the executive committee may be appointed from among its members.

#### Executive Committee

The executive committee of the board of directors has been delegated all the powers of the board of directors, except for those that cannot be delegated. The table below shows the members of the executive committee as at the date of this Base Prospectus:

Executive Committee Members	Functions
Mr. Sebastian Gunningham	Chairman
Mr. Javier Monzón de Cáceres	Deputy Chairman
Mr. Antonio Escámez Torres	Member
Mr. José Luis de Mora Gil-Gallardo	Member
Mr. Ezequiel Szafir	Member
Mr. Fernando García Sole	Secretary
Mr. Victor Dorado González	Vice Secretary

#### Audit Committee

The audit committee shall have, among others, the following functions and any others attributed to it by the applicable legislation:

- (a) Have its chair and/or secretary report to the shareholders at the General Shareholders' meeting on matters raised therein by shareholders regarding its powers and, specifically, the audit results, how the audits contribute to the integrity of the financial information and the role of the committee in the process.
- (b) Review the financial statements of the Issuer and the Consumer Group, monitor compliance with legal requirements and the proper application of generally accepted accounting principles, and report on proposals for amendments to the accounting principles and standards suggested by management.
- (c) In connection with the Issuer's external auditor:

- (i) With respect to the appointment thereof, the audit committee shall have the following powers: (1) Submit proposals to the board of directors for the selection, appointment, re-election and replacement of the external auditor; and (2) Ensure that the Issuer gives public notice of the change of external auditor, attaching to such notice a statement regarding the possible existence of disagreements with the outgoing external auditor and, if any have existed, regarding the content thereof; and in the event of the resignation of the external auditor, examine the circumstances giving rise thereto.
- (ii) With respect to the conduct of the audit, the audit committee shall: (1) Establish appropriate relations with the external auditor so as to receive information regarding matters that might jeopardise its independence, in order to examine such information, and any other information relating to the auditing process, as well as all other communications pursuant to legislation on the auditing of financial statements and audit standards; and serve as a communication channel between the board and the external auditor, evaluating the results of each audit and the management team's responses to the recommendations contained therein, mediating in cases of discrepancy between the auditor and the board with regard to the principles and criteria applicable in preparing the financial statements. Specifically, the committee shall seek to ensure that the financial statements prepared by the board are presented at the General Shareholders' meeting without reservations or qualified opinions; and (2) Oversee the fulfilment of the audit contract, endeavouring to ensure that the opinion on the annual financial statements and the main contents of the audit report are set forth in a clear and accurate fashion.
- (iii) With respect to the independence of the auditor and the provision of non-audit services, the audit committee shall ensure that the Issuer and the external auditor comply with applicable regulations regarding the provision of such services, the limits on the concentration of the external auditor's business and, in general, all other regulations governing independence of the external auditor. For the purposes of ensuring the independence of the external auditor, it will take note of those circumstances or issues that might risk such independence and any others related to the performance of the auditing procedure. Specifically, it will ensure that the remuneration of the external auditor for its work does not compromise the quality and independence thereof, and will verify the percentage that the fees paid for any and all reasons represent out of the total income of the audit firm, as well as the length of service of the partner who leads the audit team in the provision of such services to the Issuer. Likewise, the audit committee must endorse any decision to contract services other than audit services which are not prohibited by applicable regulations, having first properly assessed any threats to the auditor's independence and the safeguard measures applied in accordance with said regulations. The annual report will include the fees paid to the audit firm, including information relating to fees paid for professional services other than auditing. In any event, the audit committee should receive from the external auditor annual written confirmation of the latter's independence from the Issuer and any institutions directly or indirectly related to it, as well as detailed and itemised information on additional services of any kind provided by the aforementioned auditor or by persons or institutions related thereto and the fees received from such entities, pursuant to the regulations governing the auditing of accounts. Likewise, prior to the issuance of the external auditor's report, the committee will issue an annual report expressing an opinion on whether the independence of the external auditor is compromised. This report must contain a substantiated opinion on the provision of each and every additional service discussed in the previous paragraph.
- (d) Oversee the internal audit function and, in particular: (i) propose the selection, appointment and removal of the chief audit executive (CAE); (ii) participate in the process of setting the objectives of the head of Internal Audit, validate the evaluation of their performance and participate in the assessment of his variable remuneration together with the remuneration committee; (iii) approve the proposed guidance and the annual internal audit working plan submitted to the board, ensuring that internal audit activities are primarily focused on the Issuer's significant risks, and review the annual activities report; (iv) ensure the independence and effectiveness of the internal audit function; (v) propose the budget for this service, including the necessary material and human resources; (vi) receive periodic information regarding its activities; and (vii) verify that senior management and the board take into account the conclusions and recommendations set forth in its reports.
- (e) Oversee the process for gathering financial information and the internal control systems. In particular, the audit committee shall: (i) supervise the preparation and presentation of relevant

financial information concerning the Issuer and ensure that such information is complete, reviewing compliance with regulatory requirements, the proper definition of the consolidation scope and the correct application of accounting criteria; (ii) monitor the effectiveness of internal control systems, periodically reviewing them so as to adequately identify, manage and divulge risks; and (iii) discuss with the external auditor any significant weaknesses in the internal control system uncovered in the course of the audit. As a result of its activities, the audit committee may submit recommendations or proposals to the board of directors. In any event, the performance of the duties established herein will not affect the independence of the internal audit function.

- (f) Report to the board, before the latter makes relevant decisions with regard to: (i) the financial information the Issuer must disclose periodically, as appropriate, ensuring that said information is prepared in accordance with the same principles and practices as the annual financial statements; (ii) the creation and acquisition of shareholdings in special-purpose vehicles or entities with registered offices in countries or territories that are considered to be tax heavens; (iii) the approval of transactions with related parties.
- (g) Find out about and respond, as necessary, to initiatives, suggestions and complaints filed by shareholders with regard to the committee's duties and submitted to it by the Issuer's corporate bodies. The committee will also: (i) Receive, process and keep a record of complaints received by the Issuer with regard to issues relating to the process of generating financial information, auditing and internal controls. (ii) Establish and supervise a mechanism whereby the Consumer Group's employees may communicate, confidentially and anonymously, potentially significant irregularities with regard to matters within its area of authority, especially of a financial and accounting nature.
- (h) Receive information concerning structural or corporate modification operations planned by the Issuer, for analysis and reporting to the board of directors in relation to the economic conditions of such activities and their accounting impact and, in particular and where relevant, the proposed exchange ratio of shares.
- (i) Receive information from the head of the Issuer's tax department on the tax policies applied, at least prior to the preparation of its annual financial statements and the filing of its corporate income tax return, and, where applicable, on the tax consequences of the operations or matters submitted to the board of directors or executive committee for approval, unless these bodies have been directly informed of said operations or matters, in which case these will be explained to the committee at its next meeting. The audit committee is tasked with passing the information received on to the board of directors.
- (j) Monitor and assess regulatory proposals and new regulatory developments that may be applicable in matters within its competence (including audit, accounting and internal control), and possible consequences for the Issuer.
- (k) Evaluate, at least once a year, its operation and the quality of its work.

The table below shows the members of the Audit Committee:

Mr. José Manuel Robles Fernández	Chairman
Ms. Emma Fernández Alonso	Member
Ms. Marta Elorza Trueba	Member
Mr. Fernando García Solé	Secretary

#### **Risk Supervision, Regulation and Compliance Committee**

The risk supervision, regulation and compliance committee shall have the following responsibilities, and any others attributed to it by applicable legislation:

- (a) Support and advise the board of directors in defining and assessing the risk policies affecting the Issuer and in determining the current and future risk propensity and the risk strategy. the Issuer's risk policies must include: (i) The identification of various types of financial and non-financial risk (operational, technological, tax, legal, social, environmental, political, reputational, compliance and behavioural, among others) that the Issuer faces, including, among financial or economic risks, contingent liabilities and others which are off-balance sheet; (ii) Setting the risk appetite that the

Issuer and the Banco Santander Group consider acceptable; (iii) The planned measures to mitigate the impact of identified risks, in the event that they materialise; and (iv) The information and internal control systems that will be used to control and manage such risks, including tax risks.

- (b) Support the board of directors as regards overseeing implementation of the risk strategy and its alignment with strategic commercial plans as well as approving the capital and liquidity strategy and overseeing its enforcement.
- (c) Know and assess the risks deriving from the macroeconomic environment and the economic cycles affecting the Issuer’s activities, systematically reviewing exposure to key customers, economic sectors, geographical areas and risk types.
- (d) Oversee the risk function, without prejudice to the direct access of the latter to the board of directors.
- (e) Understand and assess the management tools, improvement measures, development of projects and other relevant activity related to risk control, including the policy on internal risk models and their internal validation.
- (f) Determine, together with the board of directors, the nature, amount, format and frequency of the risk-related information to be received by the committee itself and by the board of directors. In particular, the risk supervision, regulation and compliance committee will receive periodic information from the chief risk officer (“CRO”).
- (g) Participate in the process of setting objectives and the appointment/dismissal of the CRO and the chief compliance officer and validate the CRO's performance evaluation, which will be reported to the remuneration committee for the determination of their variable remuneration.
- (h) Cooperate in establishing rational remuneration policies and practices. For this purpose, without prejudice to the duties of the remuneration committee, the committee will determine whether the incentives policy envisaged in the remuneration scheme takes into account risk, capital, liquidity and the probability and opportunity of profit. In conjunction with the remuneration committee, the risk supervision, regulation and compliance committee will also conduct a subsequent analysis of the criteria used to determine compensation and the ex-ante risk adjustment, based on how risks previously assessed actually materialised.
- (i) Supervise and regularly evaluate the operation of the Issuer’s compliance programme, governance rules and the compliance function, making such proposals as may be required for the improvement thereof. To this end, the risk supervision, regulation and compliance committee shall: (i) supervise compliance with the general code of conduct, the manuals and procedures for the prevention of money laundering and the financing of terrorism and other sectoral codes and regulations applicable to or followed by the Issuer, (ii) receive information and, where appropriate, issue reports on disciplinary measures to members of senior management, (iii) supervise the adoption of the actions and measures resulting from the reports or inspection actions of the administrative supervisory and control authorities, (iv) supervise the operation of and compliance with the criminal risk prevention model approved by the board of directors. For the performance of this task, the committee will have its own autonomous initiative and control powers. These include, without limitation, the power to obtain any information it deems appropriate and to call on any officer or employee of the Issuer, including, in particular, the heads of the compliance function and of the various committees related to this area that may exist in order to assess their performance, as well as the power to commence and direct such internal inquiries as it deems necessary into events related to any possible non-compliance with the criminal risk prevention model. Furthermore, the risk supervision, regulation and compliance committee will periodically evaluate the operation of the prevention model and its effectiveness in preventing or mitigating the commission of crimes, for which purpose it may rely on external advice when it deems it appropriate, and will propose to the board of directors any changes to the criminal risk prevention model and, in general, to the compliance programme that it deems fit in view of such evaluation.
- (j) Track and evaluate proposals for changes to rules and regulations that may be applicable and the potential consequences for the Issuer.
- (k) Evaluate, at least once a year, its operation and the quality of its work.

The table below shows the members of the Risk Supervision, Regulation and Compliance Committee:

Ms. Marta Elorza Trueba	Chairman
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Mr. Javier Monzón de Cáceres	Member
Ms. Emma Fernández Alonso	Member
Mr. Jose Manuel Robles Fernández	Member
Mr. Antonio Escámez Torres	Member
Mr. Fernando García Solé	Secretary

#### **Nomination, corporate governance and responsible banking committee**

In the meeting of board of directors held on the 22 May 2023, it was approved the incorporation of competences of responsible banking matters to the nomination committee, which is currently known as the nomination, corporate governance and responsible banking committee.

The nomination, corporate governance and responsible banking committee shall have the following functions:

- (a) Propose and review the policy for the selection of directors and the succession plan approved by the board and the internal criteria and procedures for the selection of those to be proposed for the position of director, as well as for the continuous evaluation of directors, and report on such continuous evaluation.
- (b) In particular, the nomination, corporate governance and responsible banking committee will:
  - (i) Evaluate the balance of knowledge, skills, capacity, diversity and experience necessary and existing on the board of directors and draw up the corresponding skills matrix and description of the functions and aptitudes necessary for each specific appointment, assessing the time and dedication necessary for the proper performance of the position.
  - (ii) Receive consideration proposals of potential candidates to cover vacancies that may be made by the directors.
  - (iii) Periodically, and at least once a year, evaluate the structure, size, composition and performance of the board of directors, the functioning and compliance with the director selection policy and the succession plan, making recommendations to the board on possible changes.
  - (iv) Assess, prior to their appointment and periodically thereafter, at least once a year, the suitability of the members of the board of directors and of the board of directors as a whole, and report to the board of directors accordingly.
  - (v) Establish a representation target for the under-represented gender on the board of directors and develop guidance on how to increase the number of persons of the under-represented gender with a view to reaching this target. The target, the guidelines and the application thereof will be published pursuant to applicable regulations.
- (c) Apply and supervise the succession plan for the directors approved by the board of directors, in coordination with the chairman of the board.
- (d) Prepare reasoned proposals for the appointment, re-election and ratification of directors, proposals for the removal of directors and, where appropriate, proposals for the appointment of members to each board committee.
- (e) Annually verify the classification of each director (as executive, non-executive, representing substantial shareholders, independent or external) for due legal purposes.
- (f) Report on proposals for appointment or removal of the secretary of the board and, if applicable, the vice-secretary, prior to submission thereof to the board.
- (g) Propose and review internal policies and procedures for the selection and continuous evaluation of senior executive vice presidents or similar officers and other employees responsible for internal control functions or who hold key positions for the day-to-day conduct of banking activities, as well



as the succession plan for such officers, reporting on their appointment and removal and their continuous evaluation and making any recommendations it deems appropriate.

- (h) Ensure compliance by the directors with their duties, prepare the relevant reports and receive information, and, if applicable, prepare a report on the measures to be adopted with respect to directors in the event of non-compliance with any such obligations or with the code of conduct on the securities markets applicable to the Issuer.
- (i) Examine the information provided by the directors regarding their other professional obligations and assess whether such obligations might interfere with the dedication required of directors for the effective performance of their work.
- (j) Evaluate performance and quality of work, at least once a year.
- (k) Report on the self-assessment process of the board of directors and of its members and assess their independence (where applicable).
- (l) Report on and supervise the implementation of the Issuer's succession planning policy, as well as any modifications thereto.
- (m) Support and advise the board in connection with the Issuer's and the Consumer Group's corporate governance and internal governance policy, and with regular assessment of the suitability of the Issuer's corporate governance system, in order to ensure that it carries out its purpose of promoting the corporate interest and that it takes into account, where applicable, the legitimate interests of other stakeholders.
- (n) Support and advise the board in its relations with supervisors and regulators in the various countries in which the Issuer operates.
- (o) Advise the board of directors on matters related to responsible banking including, among other things, the fulfilment of its oversight responsibilities with respect to the Issuer's responsible business strategy and sustainability issues.
- (p) And any other duties that are specifically provided for in these Regulations or assigned thereto by applicable law.

The table below shows the members of Nomination Committee:

Ms. Emma Fernández Alonso	Chair
Mr. Javier Monzon de Cáceres	Member
Ms. Marta Elorza Trueba	Member
Mr. Fernando García Solé	Secretary

### **Remuneration Committee**

The remuneration committee shall have the following functions:

- (a) Prepare and propose decisions relating to remuneration to be made by the board of directors, including those that have an impact on the Issuer's risk and risk management.
- (b) In particular, the committee shall propose:
  - (i) The remuneration policy for directors in their capacity as such, preparing the required reasoned report on this remuneration policy.
  - (ii) The individual remuneration of the directors in their capacity as such.
  - (iii) The individual remuneration of the directors for the performance of duties other than those in their capacity as such, and other terms of their contracts.
  - (iv) The remuneration policy applicable to the managing directors and other members of senior management in compliance with the provisions of law.
  - (v) The basic terms of the contracts and compensation of the members of senior management.

- (vi) The essential elements of remuneration for other directors or employees who, although not members of senior management, do belong to the identified staff.
- (c) Assist the board in supervising the observance of the remuneration policy for directors and, where appropriate, other members of the identified staff, as well as the other remuneration policies of the Issuer. Ensure that the Issuer’s remuneration policies and practices are subject to a central and independent internal review at least once a year and report the results to the board. Propose a corrective action plan when periodic reviews reveal that remuneration policies and procedures are not working as intended.
- (d) Periodically review the remuneration programmes to ensure they are up-to-date, considering their adaptation and performance, ensuring that remuneration is in line with the criteria of moderation and the Issuer’s results, culture and risk appetite; and that no incentives are offered to assume risk that exceeds the level tolerated by the Issuer, such that they promote and are compatible with adequate and effective risk management. For these purposes the mechanisms and systems adopted will be reviewed to ensure that remuneration programmes take into account all types of risk and all levels of capital and liquidity, and that remuneration is in line with the Issuer’s and the Banco Santander Group’s business targets and strategies, corporate culture and long-term interests.
- (e) Ensure the transparency of remuneration and the inclusion of information on directors' remuneration in the annual report, or other reports required by applicable legislation, submitting information to the board as relevant.
- (f) Evaluate the attainment of performance targets and the need to make “ex post” risk adjustments, including the application of reduction (“malus”) or recovery (“clawback”) systems.
- (g) Review possible scenarios in order to verify the effects of possible external and internal events on remuneration policies and practices, and perform, together with the risk supervision, regulation and compliance committee, a subsequent analysis of the criteria used to determine compensation and the ex-ante risk adjustment, taking into consideration how the previously evaluated risks have actually arisen.

The table below shows the members of the Remuneration Committee:

Mr. Michael Rhodin	Chairman
Mr. Javier Monzón de Cáceres	Member
Mr. Antonio Escámez Torres	Member
Ms. Emma Fernández Alonso	Member
Mr. José Manuel Robles Fernández	Member
Mr. Fernando García Solé	Secretary

### **Conflict of Interest**

None of the members of the board of directors or persons related to them perform, as independent professionals or as employees, activities that involve effective competition, be it present or potential, with the activities of the Consumer Group, or that, in any other way, place the directors in an ongoing conflict with the interests of the Consumer Group.

As stipulated in Article 24 of the regulations of the board of directors, the directors must notify the Board of any direct or indirect conflict of interest that they might have with the Issuer. The board of directors shall be aware of any transactions conducted by the Issuer, directly or indirectly, with directors, significant shareholders or shareholders with board representation, or persons related thereto. These transactions should be authorised by the board of directors on the basis of a favourable report by the nomination and remuneration committee.

In 2023 and 2022, the Issuer’s directors did not report to the board of directors or to the General Meeting any direct or indirect conflict of interest that they or persons related to them might have.

### **Litigation**

There are no prior or current governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) during the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or the entire Consumer Group's current or future financial position or profitability.

## CERTAIN INFORMATION IN RESPECT OF THE NOTES

### Key Information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of each issue of Notes will be used for the general funding purposes of the Consumer Group.

### Information Concerning the Securities to be Admitted to Trading

#### *Total amount of Notes Admitted to Trading*

The aggregate amount of each issue of Notes on the date of issue of such Notes will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is EUR 10,000,000,000 (or its equivalent in other currencies). Such amount may be increased from time to time in accordance with the Dealer Agreement.

#### *Type and Class of Notes*

Notes will be issued in tranches. Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations (or integral multiples thereof):

- (a) for U.S.\$ Notes, U.S.\$500,000;
- (b) for Euro Notes, EUR 500,000;
- (c) for Sterling Notes, £100,000;
- (d) for Swiss Franc Notes, CHF 500,000;
- (e) for Swedish Kronor Notes, an amount in SEK equal to a minimum of EUR 100,000;
- (f) for Norwegian Kroner Notes, Nkr 1,500,000;
- (g) for Danish Kroner Notes, Dkr 1,000,000;
- (h) for Polish Zloty Notes, PLN 500,000,

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements.

The international security identification number of each issue of Notes will be specified in the relevant Final Terms.

#### *Legislation under which the Notes and related contractual documentation, and the Deed of Covenant have been created*

The status of the Notes, the exercise of the Bail-in Power by the Relevant Resolution Authority, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and conditions the Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.

#### *Form of the Notes*

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note and, in the case of a Global Note which is not intended to be issued in new global note (“NGN”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Notes with a depository or common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant

clearing system. Each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so specified in the relevant Final Terms, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006 the ECB announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the Euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

#### *Currency of the Notes*

Notes may be issued in Euro, Sterling, Swiss Francs, U.S. Dollars, Swedish Kronor, Norwegian Kroner, Danish Kroner and Polish Zloty, and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

#### *Status of the Notes*

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer. In accordance with Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso de acreedores*) of the Issuer the payment obligations of the Issuer under the Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) *pari passu* and rateably without any preference among themselves and with any Senior Higher Priority Liabilities and (b) senior to (i) Senior Non-Preferred Liabilities and (ii) any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law.

“**Law 11/2015**” means Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time.

“**Senior Higher Priority Liabilities**” means any obligations in respect of principal of the Issuer under any Notes and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non-Preferred Liabilities.

“**Senior Non-Preferred Liabilities**” means any unsubordinated and unsecured senior non-preferred obligations (*créditos ordinarios no preferentes*) of the Issuer 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 Liabilities.

*The claims that qualify as subordinated credits under the limited events regulated by Article 281 of the Insolvency Law include, but are not limited to, any accrued and unpaid interests (including, for Notes sold at a discount, the amortization of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (concurso) of the Issuer commenced). Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders. Under Spanish law, accrual of interests shall be suspended from the date of any declaration of insolvency (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security).*

#### *Rights attaching to the Notes*

Each issue of Notes will be the subject of Final Terms which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive

Notes and must be read in conjunction with the relevant Notes. See “*Forms of Notes*” and “*Form of Final Terms*”.

#### *Maturity of the Notes*

The Maturity Date applicable to each issue of Notes will be specified in the relevant Final Terms. The Maturity Date of an issue of Notes may not be less than 1 day nor more than 364 days, subject to applicable legal and regulatory requirements.

#### *Optional Redemption for Tax Reasons*

The Issuer may redeem Notes (in whole but not in part) if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

#### *Prescription*

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Final Terms.

#### *Yield Basis*

Notes may be issued on the basis that they will be interest bearing or they may be issued at a discount (in which case they will not bear interest). The yield basis in respect of Notes (or the discount rate, if applicable) will be set out in the relevant Final Terms.

#### *Authorisations and approvals*

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by resolutions of the shareholders of the Issuer passed on 18 October 2007 and of the Board of Directors of the Issuer passed on 27 May 2010. The update of the Programme and the issuance of Notes pursuant thereto was authorised by resolutions of the shareholder of the Issuer passed on 14 March 2023, the Board of Directors of the Issuer passed on 22 May 2023 and the Executive Committee passed on 12 June 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

#### **Admission to Trading and Dealing Arrangements**

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the relevant Dealer. No Notes may be issued on an unlisted basis.

Citibank, N.A., London Branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (United Kingdom), is the Issue and Paying Agent in respect of the Notes.

#### **Expense of the Admission to Trading**

An estimate of the expenses in relation to the admission to trading of each issue of Notes will be specified in the relevant Final Terms.

#### **Additional Information**

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

As at the date of this Information Memorandum, the Programme's short-term public credit rating is as follows:

S&P: A-1

Fitch: F2

Moody's: P1

The credit ratings assigned to the Notes to be issued under the Programme will be set out in the relevant Final Terms.

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

## FORMS OF NOTES

### PART A – FORM OF MULTICURRENCY GLOBAL NOTE

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

**SANTANDER CONSUMER FINANCE, S.A.**

*(LEI: 5493000LM0MZ4JPMGM90)*

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

**EUR 10,000,000,000**

#### EURO-COMMERCIAL PAPER PROGRAMME

1. For value received, Santander Consumer Finance, S.A. (the “**Issuer**”) promises to pay to the bearer of this Global Note on the Maturity Date set out in the Final Terms or on such earlier date as the same may become payable in accordance with paragraph 4 below (the “**Relevant Date**”), the Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, together with interest thereon, if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with an issue and paying agency agreement (the “**Issue and Paying Agency Agreement**”) dated 14 June 2023 (as amended and restated or supplemented from time to time) between the Issuer and Citibank, N.A., London Branch as issue agent and as principal paying agent (the “**Issue and Paying Agent**”), a copy of which is available for inspection at the offices of the Issue and Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made (upon presentation and surrender (as the case may be) of this Global Note) to the bearer through Euroclear Bank SA/NV and Clearstream Banking S.A. or any other relevant clearing system or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 11, by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Issue and Paying Agent so chooses.

2. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a “**New Global Note**” or “**NGN**” and the Nominal Amount of Notes represented by this Global Note



shall be the aggregate amount from time to time entered in the records of both ICSDs (as defined below). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the Nominal Amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the Nominal Amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the Nominal Amount of Notes represented by this Global Note shall be the Nominal Amount stated in the Final Terms or, if lower, the Nominal Amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any taxing authority or agency thereof or therein ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in this Global Note (each, a "**Beneficial Owner**") after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that the Issuer shall not be required to pay any additional amounts in relation to any payment:
  - (i) to, or to a third party on behalf of, a Beneficial Owner of a Note who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Spain other than the mere holding of such Note; or
  - (ii) to, or to a third party on behalf of, a holder if the Issuer does not receive the information about the Notes as may be required in order to comply with the applicable Spanish tax reporting obligations; or
  - (iii) in respect of any Note presented for payment more than thirty days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or
  - (iv) to, or to a third party on behalf of, individuals resident for tax purposes in The Kingdom of Spain if the Spanish tax authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made; or
  - (v) to, or to a third party on behalf of, a Spanish-resident legal entity subject to the Spanish Corporate 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 Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

In addition, additional amounts as referred to in paragraph 3 will not be payable with respect to any Taxes that are imposed in respect of any combination of the items set forth above.

All payments in respect of this Global Note 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 this paragraph 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 any law implementing an intergovernmental approach thereto and, accordingly, the Issuer shall not be required to pay any additional amounts under this paragraph.

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

4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the Holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
  - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and
  - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

**provided, however, that** no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issue and Paying Agent:

- (a) a certificate signed by two authorised signatories 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
- (b) 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.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price **provided that** all unmaturing interest coupons (if this Global Note is an interest bearing Global Note) are purchased therewith.
6. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. On each occasion on which:
  - (i) *Definitive Notes*: Notes in definitive form are delivered; or
  - (ii) *Cancellation*: Notes represented by this Global Note are to be cancelled in accordance with paragraph 6,

the Issuer shall procure that:

- (a) if the Final Terms specify that the New Global Note form is not applicable, (i) the aggregate principal amount of such Notes; and (ii) the remaining Nominal Amount of Notes represented by this Global Note (which shall be the previous Nominal Amount hereof less the aggregate of the amount referred to in (i) above) are entered in the Schedule hereto, whereupon the Nominal Amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and

- (b) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered *pro rata* in the records of the ICSDs and the Nominal Amount of the Notes entered in the records of the ICSDs and represented by this Global Note shall be reduced by the principal amount so exchanged or cancelled.
8. The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer. In accordance with Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso de acreedores*) of the Issuer the payment obligations of the Issuer under the Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) *pari passu* and rateably without any preference among themselves and with any Senior Higher Priority Liabilities and (b) senior to (i) Senior Non-Preferred Liabilities and (ii) any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law.

“**Law 11/2015**” means Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time.

“**Senior Higher Priority Liabilities**” means any obligations in respect of principal of the Issuer under any Notes and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non-Preferred Liabilities.

“**Senior Non-Preferred Liabilities**” means any unsubordinated and unsecured senior non-preferred obligations (*créditos ordinarios no preferentes*) of the Issuer 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 Liabilities.

9. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day, and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day; and

“**T2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched 20 March 2023 or any successor thereto; and

“**TARGET Business Day**” means any day on which T2 is open for the settlement of payments in Euro.

10. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
11. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):

- (a) if Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”, together with Euroclear, the international central securities depositaries or “**ICSDs**”) or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease to do business or does so in fact; or
- (b) if default is made in the payment of any amount payable in respect of this Global Note; or
- (c) the Notes are required to be removed from Euroclear, Clearstream Luxembourg, or any other clearing system and no suitable (in the determination of the Issuer) alternative clearing system is available.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issue and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

12. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 14 June 2023, entered into by the Issuer).
13. If this is an interest bearing Global Note, then:
  - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that:
    - (i) if the Final Terms specify that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment; and
    - (ii) if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs.
14. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
  - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
  - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “Interest Period” for the purposes of this paragraph.

15. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Global Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. The Rate of Interest determined for any Interest Period by reference to EURIBOR shall be subject to a floor of zero to ensure that the Rate of Interest on any Interest Period for Floating Rate Notes is not negative. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (and unless otherwise specified in the Final Terms), “**EURIBOR**” shall be equal to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) or EUR-EURIBOR (as defined in the 2021 ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a Interest Determination Date in respect of EURIBOR), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

As used in this Global Note:

“**2006 ISDA Definitions**” means, in relation to a Series of Notes, the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“**2021 ISDA Definitions**” means the 2021 Interest Rate Derivative ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website ([www.isda.org](http://www.isda.org)), as amended, updated or replaced at the Issue Date;

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

- (b) in the case of a Global Note which specifies ISDA Determination in the Final Terms, 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 (as defined in the ISDA Definitions) that would be determined by the Determination Agent under an interest rate swap transaction if the Determination Agent were acting as Determination Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is as specified in the relevant Final Terms.

The Rate of Interest determined for any Interest Period according to ISDA Determination shall be subject to a floor of zero to ensure that the Rate of Interest on any Interest Period for Floating Rate Notes is not negative;

- (c) in the case of a Note which specifies SONIA as the Reference Rate in the Final Terms, the Rate of Interest will be calculated in accordance with paragraph 15(c)(A), paragraph 15(c)

(B) or paragraph 15(c)(C) below, subject to the provisions of paragraph 15(c)(E) and paragraph 15(c)(F) below, as applicable.

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) The following definitions shall apply for the purpose of this paragraph 15(c)(C):

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

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

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{t-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}; \text{ or}$$

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

$$\left| \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_t \times n_i}{365} \right) - 1 \right| \times \frac{365}{d}$$

Where, in each case:

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

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of London Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of London Banking Days in the relevant Observation Period;

“**I**” is a series of whole numbers from one to  $d_0$ , each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (x) if "Lag" or "Lock-out" is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if "Shift" is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

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

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

“**n<sub>i</sub>**”, for any London Banking Day<sub>i</sub>, means the number of calendar days from and including such London Banking Day<sub>i</sub> up to but excluding the following London Banking Day;

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

“**p**” means, in respect of an Interest Period (x) where "Lag" or "Shift" is specified as the Observation Method in the relevant Final Terms, five London Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified in the Observation Method in the relevant Final Terms, zero;

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

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

“**SONIA<sub>i</sub>**” means, in respect of any London Banking Day<sub>i</sub>:

- (x) if "Lag" is specified as the Observation Method in the relevant Final Terms, the SONIA reference rate in respect of pLBD in respect of such London Banking Day<sub>i</sub>; or
- (y) if "Lock-out" is specified as the Observation Method in the relevant Final Terms:
  - (1) in respect of any London Banking Day<sub>i</sub> that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise

- (2) the SONIA reference rate in respect of the London Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;
- (z) if "Shift" is specified as the Observation Method in the relevant Final Terms, the SONIA reference rate for such London Banking Day;

"SONIA<sub>i-pLBD</sub>" means:

- (x) if "Lag" is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, SONIA<sub>i</sub> in respect of the London Banking Day falling p London Banking Days prior to such London Banking Day<sub>i</sub> ("pLBD"); or
- (y) if "Lock-out" is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, SONIA<sub>i</sub> in respect of such London Banking Day<sub>i</sub>;

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

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

Where, in each case:

"**d**" is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

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

"**p**" means five London Banking Days or such larger number of days as specified in the relevant Final Terms;

"**Compounded Index<sub>Start</sub>**" means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the first day of such Interest Period;

"**SONIA Compounded Index<sub>End</sub>**" means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable); and

"**Weighted Average SONIA**" means:



- (x) where "Lag" is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or
  - (y) where "Lock-out" is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.
- (D) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 15(c)(B), if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with paragraph 15(c)(A) above and for these purposes the "Observation Method" shall be deemed to be "Shift".
- (E) If, in respect of any London Banking Day, the Determination Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:
- (a) (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
  - (b) if such Bank Rate is not available, the SONIA reference rate published on the **Relevant Screen Page** (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

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

(d) in the case of a Global Note which specifies SOFR as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with paragraph 15(d)(A) or paragraph 15(d)(B) below, subject to the provisions of paragraph 15(d)(D):

- (A) Where the Calculation Method is specified in the relevant Final Terms as being "SOFR Arithmetic Mean", the Rate of Interest for each Interest Period will be the SOFR Arithmetic Mean plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being "SOFR Compound", the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) The following definitions shall apply for the purpose of this paragraph 15(d):

**"Bloomberg Screen SOFRRATE Page"** means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

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

- (i) if "SOFR Compound with Lookback" is specified in the relevant Final Terms:

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

Where:

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

**"d<sub>0</sub>"** means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

**"i"** means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

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

**"n<sub>i</sub>"** means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day;

**"SOFR<sub>i</sub>"** means, in respect of each U.S. Government Securities Business Day<sub>i</sub>, the SOFR in respect of such U.S. Government Securities Business Day; and

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

- (ii) if "SOFR Compound with Observation Period Shift" is specified in the relevant Final Terms:

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

Where:

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

"**d<sub>0</sub>**" means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**n<sub>i</sub>**" means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day;

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

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

"**SOFR<sub>i</sub>**" means, in respect of each U.S. Government Securities Business Day<sub>i</sub>, the SOFR in respect of such U.S. Government Securities Business Day;

- (iii) if "SOFR Compound with Payment Delay" is specified in the relevant Final Terms:

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

Where:

"**d**" means, the number of calendar days in such Interest Period from and (including) the day in relation to which SOFR IndexInitial is determined

(but excluding) the day in relation to which SOFR Index<sub>Final</sub> is determined;

"**d<sub>0</sub>**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the relevant Final Terms;

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

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

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

"**n<sub>i</sub>**" means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day<sub>i</sub>; and

"**SOFR<sub>i</sub>**" means, for any U.S. Government Securities Business Day<sub>i</sub> in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Day<sub>i</sub>.

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

- (iv) if "SOFR Index with Observation Shift" is specified in the relevant Final Terms:

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

Where:

"**d<sub>c</sub>**" means, in respect of each Interest Period, the number of calendar days in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the relevant Final Terms;

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

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

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

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

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

**"NY Federal Reserve's Website"** means the website of the NY Federal Reserve, currently at [www.newyorkfed.org](http://www.newyorkfed.org), or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

**"Reuters Page USDSOFR="** means the Reuters page designated "USDSOFR=" or any successor page or service;

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

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

the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

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

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

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

Notwithstanding paragraphs 15(d)(A) to 15(d)(C) above, if the Determination Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in paragraph 15(d)(D) (SOFR Replacement Provisions) below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(D) SOFR Replacement Provisions

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

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

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

Following the designation of a SOFR Replacement, the Issuer may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR

Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

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

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

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

“**Relevant Governmental Body**” means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

"**SOFR Benchmark**" means (a) (unless "SOFR Index with Observation Shift" is specified in the relevant Final Terms) SOFR or (b) SOFR Index (each as defined in paragraph 15(d)(C) above);

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

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

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

"**SOFR Replacement Alternatives**" means:

- (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the "**Relevant Governmental Body Replacement**");

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

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

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

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

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

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



provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

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

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

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

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

- (e) in the case of a Global Note which specifies €STR as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with paragraph 15(e)(A), paragraph 15(e)(B) or paragraph 15(e)(C) below, subject to the provisions of paragraph 15(e)(E) and of paragraph 15(e)(F) below, as applicable:
  - (A) Where the Calculation Method is specified in the relevant Final Terms as being "€STR Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily €STR plus or minus (as indicated in the relevant Final

Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

- (B) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily €STR Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average €STR plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this paragraph 15(e) “**Compounded Daily €STR**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate (€STR) as reference rate for the calculation of interest) and will be calculated as follows:

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

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

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

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

Where, in each case:

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

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of TARGET Business Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of TARGET Business Days in the relevant Observation Period;

the “**€STR reference rate**”, means, in respect of any TARGET Business Day, a reference rate equal to the daily euro short-term rate as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) on the website of the European Central Bank (or any successor administrator of such rate) or any successor source, in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the administrator of such rate on the TARGET Business Day immediately following such TARGET Business Day;

“**€STR<sub>i</sub>**” means, in respect of any TARGET Business Day:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate in respect of pTBD in respect of such TARGET Business Day<sub>i</sub>; or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:
  - (1) in respect of any TARGET Business Day<sub>i</sub> that is a Reference Day, the €STR reference rate in respect of the TARGET Business Day immediately preceding such Reference Day; otherwise
  - (2) the €STR reference rate in respect of the TARGET Business Day immediately preceding the Interest Determination Date for the relevant Interest Period;
- (z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate for such TARGET Business Day<sub>i</sub>;

“€STR<sub>i-pTBD</sub>” means:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business Day<sub>i</sub>, €STR<sub>i</sub> in respect of the TARGET Business Day falling p TARGET Business Days prior to such TARGET Business Day<sub>i</sub> (“pLBD”); or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business<sub>i</sub>, €STR<sub>i</sub> in respect of such TARGET Business<sub>i</sub>;

“i” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“Interest Period End Date” shall have the meaning specified in the relevant Final Terms;

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

“n<sub>i</sub>”, for any TARGET Business Day<sub>i</sub>, means the number of calendar days from and including such TARGET Business Day<sub>i</sub> up to but excluding the following TARGET Business Day;

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

“p” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five TARGET Business Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“Reference Day” means each TARGET Business Day in the relevant Interest Period that is not a TARGET Business Day falling in the Lock-out Period;

“T2” means the Trans-European Automated Realtime Gross settlement Express Transfer system which was launched on 20 March 2023 or any successor thereto;

“**TARGET Business Day**” or “**TBD**” means any day on which T2 is open;

“**Compounded Daily €STR Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the euro short-term rate (€STR) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily €STR rates administered by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) that is published or displayed on the website of the European Central Bank (or any successor administrator of such rate) or any successor source from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**€STR Compounded Index**”) and will be calculated as follows:

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

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which €STR Compounded Index<sub>start</sub> is determined to (but excluding) the day in relation to which €STR Compounded Index<sub>End</sub> is determined;

“**p**” means five TARGET Business Days or such larger number of days as specified in the relevant Final Terms;

“**€STR Compounded Index<sub>start</sub>**” means, with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the first day of such Interest Period;

“**€STR Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” TARGET Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**T2**” means the Trans-European Automated Realtime Gross settlement Express Transfer system which was launched on 20 March 2023 or any successor thereto;

“**TARGET Business Day**” or “**TBD**” means any day on which T2 is open; and

“**Weighted Average €STR**” means:

- (x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall be deemed to be the €STR reference rate in respect of the TARGET Business immediately preceding such calendar day; or
  - (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the €STR reference rate for such calendar day will be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding the first day of such Lock-out Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall, subject to the preceding proviso, be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding such calendar day.
- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 15(e)(B), if the relevant €STR Compounded Index is not

published or displayed by the European Central Bank (or any successor administrator of such rate) reference rate or other information service by 5.00 p.m. (Frankfurt time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the European Central Bank (or any successor administrator of €STR) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the €STR Compounded Index is not available in accordance with paragraph 15(e)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.

- (F) Where “€STR” is specified as the relevant Reference Rate in the relevant Final Terms, if, in respect of any TARGET Business Day, €STR is not available, such Reference Rate shall be the €STR reference rate for the first preceding TARGET Business Day on which the €STR reference rate was published by the European Central Bank, as the administrator of the €STR reference rate (or any successor administrator of the €STR reference rate) on the website of the European Central Bank (or of any successor administrator of such rate), and “r” shall be interpreted accordingly.
  - (G) If the relevant Series of Notes become due and payable, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
- (f) in the case of a Global Note which specifies SARON as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with paragraph 15(f)(A), paragraph 15(f)(B) or paragraph 15(f)(C) below, subject to the provisions of paragraph 15(f)(E), paragraph 15(f)(F) and paragraph 15(f)(G) below, as applicable:
- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
  - (B) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
  - (C) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
  - (D) The following definitions shall apply for the purpose of this paragraph 15(e):  
**“Compounded Daily SARON”** means with respect to an Interest Period, the rate of return of a daily compound interest investment in Swiss franc (with the daily Swiss Average Rate Overnight (SARON) as reference rate for the calculation of interest) and will be calculated as follows:

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

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

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

$$2 \quad \left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where, in each case:

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

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Zurich Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of Zurich Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Zurich Banking Day in chronological order from, and including, the first Zurich Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

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

“**n<sub>i</sub>**”, for any Zurich Banking Day<sub>i</sub>, means the number of calendar days from and including such Zurich Banking Day<sub>i</sub> up to but excluding the following Zurich Banking Day;

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

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each Zurich Banking Day in the relevant Interest Period that is not a Zurich Banking Day falling in the Lock-out Period;

the “**SARON reference rate**”, means, in respect of any Zurich Banking Day, a reference rate equal to the Swiss Average Rate Overnight (SARON) rate for such Zurich Banking Day as published by the SARON Administrator on the Relevant Screen Page at the Relevant Time on such Zurich Banking Day;

“**SARON<sub>i</sub>**” means, in respect of any Zurich Banking Day:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate in respect of pZBD in respect of such Zurich Banking Day; or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:
  - (1) in respect of any Zurich Banking Day<sub>i</sub> that is a Reference Day, the SARON reference rate in respect of the SARON Banking Day immediately preceding such Reference Day; otherwise
  - (2) the SARON reference rate in respect of the SARON Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;
- (z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate for such Zurich Banking Day;

“**SARON<sub>i-pZBD</sub>**” means:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of the Zurich Banking Day falling p Zurich Banking Days prior to such Zurich Banking Day<sub>i</sub> (“**pZBD**”); or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of such Zurich Banking Day<sub>i</sub>; and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions;

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

$$\left( \frac{SARON\ Compounded\ Index_{End}}{SARON\ Compounded\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which SARON Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SARON Compounded Index<sub>End</sub> is determined;

“**p**” means five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms;

“**SARON Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the first day of such Interest Period;

“**SARON Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Zurich Banking Days prior to such earlier date, if any, on which the Notes become due and payable); and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions; and

“**Weighted Average SARON**” means:

- (x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day; or
  - (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SARON reference rate for such calendar day will be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall, subject to the preceding proviso, be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day.
- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 15(f)(B), if the relevant SARON Compounded Index is not published or displayed by the SARON Administrator or other information service by 5.00 p.m. (Zurich time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SARON Administrator or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SARON Compounded Index is not available in accordance with paragraph 15(e)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) If the SARON reference rate is not published on the Relevant Screen Page (the “**SARON Screen Page**”) at the Relevant Time on the relevant Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the SARON reference rate for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.
- (G) If the SARON reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Zurich Banking Day and both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the Reference Rate shall be:
- (i) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or



- (ii) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the “**SNB Policy Rate**”) for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Any substitution of the SARON reference rate by the SARON Recommended Replacement Rate or the SNB Policy Rate as specified above (the “**SARON Replacement Rate**”) will remain effective for the remaining term to maturity of the Notes.

Notwithstanding any other provision of this paragraph (G), if (i) the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Determination Agent, or (ii) the Issuer determines that the replacement of then-current SARON reference rate by the SARON Replacement Rate or any other amendments to the terms of the Notes necessary to implement such replacement could reasonably result in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date, no SARON Replacement Rate will be adopted by the Determination Agent, and the SARON Replacement Rate for the relevant Interest Period will be equal to the last SARON available on the SARON Screen Page as determined by the Determination Agent. Notwithstanding the above, if the provisions of this paragraph fail to provide a means of determining the Rate of Interest, sub-paragraph (I) below shall apply.

In connection with the SARON reference rate provisions above, the following definitions apply:

“**SARON Administrator**” means SIX Swiss Exchange or any successor administrator of the Swiss Average Rate Overnight;

“**SARON Administrator Website**” means the website of the SARON Administrator;

“**SARON Index Cessation Effective Date**” means the earliest of:

- (i) in the case of the occurrence of a SARON Index Cessation Event described in sub-paragraph (i) of the definition thereof, the date on which the SARON Administrator ceases to provide the Swiss Average Rate Overnight;
- (ii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(x) of the definition thereof, the latest of: (x) the date of such statement or publication, (y) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative, and (z) if a SARON Index Cessation Event described in sub-section (ii)(y) of the definition thereof has occurred on or prior to either or both dates specified in subclauses (x) and (y) of this sub-paragraph (ii), the date as of which the Swiss Average Rate Overnight may no longer be used; and
- (iii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(y) of the definition thereof, the date as of which the Swiss Average Rate Overnight may no longer be used;

“**SARON Index Cessation Event**” means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no

successor administrator that will continue to provide the Swiss Average Rate Overnight; or

- (ii) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of sub-section (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives;

**“SARON Recommended Adjustment Spread”** means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

- (i) that the SARON Recommending Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or

- (ii) if the SARON Recommending Body has not recommended such a spread, formula or methodology as described in sub-paragraph (i) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such SARON Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Determination Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon;

**“SARON Recommended Replacement Rate”** means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the **“SARON Recommending Body”**);

**“SIX Swiss Exchange”** means SIX Swiss Exchange AG and any successor thereto; and

**“SNB Adjustment Spread”** means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Determination Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

(H) If the relevant Series of Notes become due and payable, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(g) in the case of a Global Note which specifies TONA as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with paragraph 15(g)(A), paragraph 15(g)(B), paragraph 15(g)(C) below, subject to the provisions of paragraph 15(g)(E) and paragraph 15(g)(F):

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

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

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

(D) The following definitions shall apply for the purpose of this paragraph 15(g):

“**Compounded Daily TONA**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Japanese Yen (with the daily Tokyo Overnight Average (TONA) as reference rate for the calculation of interest) and will be calculated as follows:

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

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{TONA_{i-pTBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

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

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{TONA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where, in each case:

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

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Tokyo Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of Tokyo Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

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

“**n<sub>i</sub>**”, for any Tokyo Banking Day<sub>i</sub>, means the number of calendar days from and including such Tokyo Banking Day<sub>i</sub> up to but excluding the following Tokyo Banking Day;

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

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each Tokyo Banking Day in the relevant Interest Period that is not a Tokyo Banking Day falling in the Lock-out Period;

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

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

“**TONA<sub>i</sub>**” means, in respect of any Tokyo Banking Day<sub>i</sub>:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate in respect of pTBD in respect of such Tokyo Banking Day<sub>i</sub>; or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:
  - (1) in respect of any Tokyo Banking Day<sub>i</sub> that is a Reference Day, the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such Reference Day; otherwise

(2) the TONA reference rate in respect of the Tokyo Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate for such Tokyo Banking Day; and

“TONA<sub>i-pTBD</sub>” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of the Tokyo Banking Day falling p Tokyo Banking Days prior to such Tokyo Banking Day<sub>i</sub> (“pTBD”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of such Tokyo Banking Day<sub>i</sub>; and

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

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

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which TONA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which TONA Compounded Index<sub>End</sub> is determined;

“**p**” means five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms;

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

“**TONA Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the TONA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior to the first day of such Interest Period;

“**TONA Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Tokyo Banking Days prior to such earlier date, if any, on which the Notes become due and payable); and

“**Weighted Average TONA**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the TONA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the TONA reference rate in respect of any calendar day which is not a Tokyo Banking Day shall be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the TONA reference rate in respect of each calendar

day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the TONA reference rate for such calendar day will be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the TONA reference rate in respect of any calendar day which is not a Tokyo Banking Day shall, subject to the preceding proviso, be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 15(g)(B), if the relevant TONA Compounded Index is not published or displayed by the administrator of the TONA reference rate or other information service by 5.00 p.m. (Tokyo time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the Bank of Japan (or any successor administrator) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the TONA Compounded Index is not available in accordance with paragraph 15(g)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
  - (F) If the TONA reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Tokyo Banking Day, the TONA reference rate for such Tokyo Banking Day shall be the rate equal to the Tokyo Overnight Average published by the administrator of the TONA reference rate on the Relevant Screen Page for the last preceding Tokyo Banking Day on which the Tokyo Overnight Average was published by the administrator of TONA on the Relevant Screen Page.
  - (G) If the relevant Series of Notes become due and payable, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
- (h) the Determination Agent specified in the Final Terms will, (i) as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date; (ii) at the Relevant Time specified in the relevant Final Terms on each Interest Determination Date in respect of SONIA, SOFR, €STR, SARON, TONA as applicable in each case; (iii) or in the case of ISDA Determination, at the time and on the Reset Date specified in the relevant Final Terms; determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period.

“**Interest Determination Date**” means, with respect to an interest rate and Interest Period, the date specified in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Period if the Relevant Currency is sterling (ii) or the day falling two London Banking Days prior the first day of such Interest Period if the Specified Currency is not sterling, or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Specified Currency is Euro.

“**Rate of Interest**” means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 15(a); (B) in the case of a Global Note which specifies ISDA Determination in the Final Terms, the rate which is determined in accordance with the provisions of paragraph 15(b); (C) if the Reference Rate is SONIA, the rate which is determined in accordance with the provisions of paragraph 15(c); (D) if the Reference Rate is SOFR, the rate which is determined in accordance with the provisions of paragraph 15(d); (E) if the Reference Rate is €STR, the rate which is determined in accordance with the provisions of paragraph 15(e); (F) if the

Reference Rate is SARON, the rate which is determined in accordance with the provisions of paragraph 15(f); or (G) if the Reference Rate is TONA, the rate which is determined in accordance with the provisions of paragraph 15(g).

The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each Denomination, multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Determination Agent shall (in the absence of manifest error) be final and binding upon all parties;

- (i) a certificate of the Determination Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (j) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "Interest Period" for the purposes of this paragraph; and
- (k) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) and/or depositaries in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 11, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).
- (l) If a Benchmark Event occurs in relation to an Original Reference Rate (other than SOFR) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (subject to the terms of this paragraph (l)), failing which an Alternative Rate (in accordance with paragraph (l)), and, in either case, an Adjustment Spread if any (in accordance with paragraph (l)) and any Benchmark Amendments (in accordance with paragraph (l)).

An Independent Adviser appointed pursuant to this paragraph (l) shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Issue and Paying Agent, or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this paragraph (l).

If (a) the Issuer is unable to appoint an Independent Adviser; or (b) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this paragraph (l) prior to the relevant Interest Determination Date, as applicable, the Rate of Interest applicable to the next succeeding Interest Period, shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period or, where the Benchmark Event occurs before the first Interest Payment Date, the Rate of Interest will be Initial Rate of Interest specified in the Final Terms. For the avoidance of doubt, this paragraph (l) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this paragraph (l).

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

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

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), if any, shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

If any Successor Rate, Alternative Rate and in, either case, the applicable Adjustment Spread is determined in accordance with this paragraph (l) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these terms and conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “Benchmark Amendments”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with paragraph (k), without any requirement for the consent or approval of Holders, vary these terms and conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this paragraph (l), the Determination Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this paragraph (l) to which, in the sole opinion of the Determination 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 Determination Agent or the relevant Paying Agent (as applicable) in the Issue and Paying Agency Agreement and/or these terms and conditions.

In connection with any such variation in accordance with this paragraph (l), 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.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this paragraph (l) will be notified promptly by the Issuer to the Determination Agent, the Paying Agents and the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Issue and Paying Agent, the Determination Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (a) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this paragraph (l); and



- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

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

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

Without prejudice to the obligations of the Issuer under the foregoing paragraphs, the Original Reference Rate and the fallback provisions provided for herein will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this paragraph (l) shall prevail.

As used in this paragraph (l):

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

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied);
- (iii) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, 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 if the Issuer determines that no such industry standard is recognised or acknowledged);

- (iv) if no such spread, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this subclause (iv) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Holders.

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with paragraph (I) is customarily applied in the international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Notes; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (v) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that (a) the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market, and (b) such representativeness will not be restored (as determined by such supervisor); or
- (vi) it has become unlawful for the Issue and Paying Agent, the Determination Agent, the Issuer or other party to calculate any payments due to be made to any holder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Issue and Paying Agent, the Determination Agent and the Paying Agents. For the avoidance of doubt, neither the Issue and Paying Agent, the Determination Agent nor the Paying Agents shall have any responsibility for making such determination.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer.

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Notes.

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

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

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

- 16. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:
  - (a) *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the Nominal Amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and
  - (b) *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs and, in the case of any payment of principal, the Nominal Amount of the Notes entered in the records of the ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.
- 17. This Global Note shall not be validly issued unless manually authenticated by Citibank, N.A., London Branch as Issue and Paying Agent.
- 18. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
- 19. The status of this Global Note, the exercise of the Bail-in Power and any Stay Powers by the Relevant Resolution Authority, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. This Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and construed in accordance with, English law.
  - (a) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with this Global Note (including a dispute relating to any non-contractual obligations arising out of or in connection with this Global Note or a dispute regarding the existence, validity or termination of this Global Note) or the consequences of its nullity.
  - (b) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

- (c) *Rights of the bearer to take proceedings outside England:* Paragraph 19(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this paragraph 19 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (d) *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Banco Santander, S.A., London Branch at 2 Triton Square, Regent’s Place, London NW1 3AN (United Kingdom) or at any address of the Issuer in Great Britain at which service of process may be served on it. Nothing in this sub-paragraph shall affect the right of the bearer to serve process in any other manner permitted by law.
20. The Notes represented by this Global Note have been admitted to listing on the official list of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) and to trading on the regulated market of Euronext Dublin (and/or have been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Global Note shall be published in accordance with the requirements of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system). So long as the Notes are represented by this Global Note, and this Global Note has been deposited with a depository or common depository for the ICSDs, or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Issue and Paying Agency Agreement), the Issuer may, in lieu of such publication and if so permitted by the rules of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the clearing system(s) in which this Global Note is held but only upon a receipt of an undertaking by such intermediaries to ensure the timely delivery of such notifications to such Beneficial Owners.
21. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
22. **Bail-in**
- (a) *Acknowledgement:* Notwithstanding any other term of this Global Note or any other agreement, arrangement or understanding between the Issuer and the bearer, by its subscription and/or purchase and holding of this Global Note, each bearer (which for the purposes of this paragraph 22 includes each holder of a beneficial interest in this Global Note) acknowledges, accepts, consents to and agrees:
- (i) to be bound by the effect of the exercise of the Bail-in 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 bearer of this Global Note of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of this Global Note, in which case the bearer agrees to accept in lieu of its rights under this Global Note any such shares, other securities or other obligations of the Issuer or another person;
  - the cancellation of this Global Note or Amounts Due; and
  - the amendment or alteration of the maturity of this Global Note or amendment of the Amount of Interest payable on this Global Note, or the date on which

the interest becomes payable, including by suspending payment for a temporary period; and

- (ii) that the terms of this Global Note are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.
- (b) *Payment of Interest and Other Outstanding Amounts Due:* No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in the Kingdom of Spain and the European Union applicable to the Issuer or other members of the Consumer Group.
- (c) *Notice to bearer:* Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to this Global Note, the Issuer will make available a written notice to the bearer as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Paying Agents for information purposes. Any delay or failure to give notice to the bearer will not affect the validity or enforceability of the Bail-in Power.
- (d) *Duties of the Paying Agents:* Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Issue and Paying Agent shall not be required to take any directions from *bearer*, and (b) the Issue and Paying Agency Agreement shall impose no duties upon the Issue and Paying Agent whatsoever, with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.
- (e) *Proration:* If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless any of the Paying Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of this Global Note pursuant to the Bail-in Power will be made on a pro-rata basis.
- (f) *Conditions Exhaustive:* The matters set forth in this paragraph 22 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.

For the purposes of this paragraph 22:

“**Amounts Due**” means the principal amount or outstanding amount, together with any accrued but unpaid interest, and additional amounts as described in paragraph 3, if any, due on the Notes. 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 Bail-in Power by the Relevant Resolution Authority.”

“**Bail-In Power**”: means any powers existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the resolution of credit entities and/or transposition of the BRRD (including, but not limited to Law 11/2015, Royal Decree 1012/2015, of 6 November, implementing Law 11/2015, as amended or superseded, and any other implementing regulations); (ii) the SRM Regulation; and (iii) the instruments, rules or standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such regulated entity or any other person.

“**Relevant Resolution Authority**” means the Fund for Orderly Bank Restructuring (*Fondo de Reestructuración Ordenada Bancaria*), the Single Resolution Board or any other entity with the authority to exercise any the resolution tools and powers contained in Law 11/2015 and the SRM Regulation from time to time.

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

23. **Recognition of Stay Powers**

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of the Notes, each Holder (which for the purposes of this paragraph 23, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees that it may be subject to the exercise of Stay Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

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

For the purposes of this paragraph 23:

“**Stay Powers**” means any suspension of obligations or restriction of rights in accordance with Articles 33a, 69, 70 and 71 of BRRD, implemented in Spain through Articles 66 and 70 to 70 ter of Law 11/2015.

- 24 No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED** by

Signed on behalf of:

**CITIBANK, N.A., LONDON BRANCH**

**SANTANDER CONSUMER FINANCE, S.A.**

without recourse, warranty or liability and for authentication purposes only

By: .....  
(Authorised Signatory)

By: .....  
(Authorised Signatory)

By: .....  
(Authorised Signatory)

**EFFECTUATED** for and on behalf of

.....  
as common safekeeper without  
recourse, warranty or liability

By: .....  
[*manual signature*]  
(*duly authorised*)





**FINAL TERMS**

*[Completed Final Terms to be attached]*

## PART B – FORM OF MULTICURRENCY DEFINITIVE NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.

**SANTANDER CONSUMER FINANCE, S.A.**

**(LEI: 5493000LM0MZ4JPMGM90)**

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

**EUR 10,000,000,000**

### EURO-COMMERCIAL PAPER PROGRAMME

Nominal Amount of this Note:

1. For value received, Santander Consumer Finance, S.A. (the “**Issuer**”) promises to pay to the bearer of this Note on the Maturity Date set out in the Final Terms, or on such earlier date as the same may become payable in accordance with paragraph 3 below (the “**Relevant Date**”), the above-mentioned Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with an issue and paying agency agreement (the “**Issue and Paying Agency Agreement**”) dated 14 June 2023 (as amended and restated or supplemented from time to time) between the Issuer, Citibank, N.A., London Branch as issue agent and as principal paying agent (the “**Issue and Paying Agent**”), a copy of which is available for inspection at the offices of the Issue and Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made (upon presentation and surrender (as the case may be) of this Note) by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, if this Note is denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any taxing authority or agency thereof or therein (“**Taxes**”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the holder of this Note (each, a “**Holder**”) after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that the Issuer shall not be required to pay any additional amounts in relation to any payment:
  - (i) to, or to a third party on behalf of, a Holder of a Note who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Spain other than the mere holding of such Note; or

- (ii) to, or to a third party on behalf of, a Holder if the Issuer does not receive the information about the Notes as may be required in order to comply with the applicable Spanish tax reporting obligations; or
- (iii) in respect of any Note presented for payment more than thirty days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or
- (iv) to, or to a third party on behalf of, individuals resident for tax purposes in The Kingdom of Spain if the Spanish tax authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made; or
- (v) to, or to a third party on behalf of, a Spanish-resident legal entity subject to the Spanish Corporate 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 Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

In addition, additional amounts as referred to in paragraph 2 will not be payable with respect to any Taxes that are imposed in respect of any combination of the items set forth above.

All payments in respect of this Note 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 this paragraph 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 any law implementing an intergovernmental approach thereto and, accordingly, the Issuer shall not be required to pay any additional amounts under this paragraph.

3. This Note may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days’ notice to the Holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
  - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and
  - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

**provided, however, that** no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issue and Paying Agent:

- (a) a certificate signed by two authorised signatories 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

- (b) 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.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

- 4. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured interest coupons (if this Note is an interest bearing Note) are purchased therewith.
- 5. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
- 6. The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer. In accordance with Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso de acreedores*) of the Issuer the payment obligations of the Issuer under the Notes in respect of principal (and unless they qualify as subordinated claims (*créditos subordinados*) under Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) *pari passu* and rateably without any preference among themselves and with any Senior Higher Priority Liabilities and (b) senior to (i) Senior Non-Preferred Liabilities and (ii) any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law.

“**Law 11/2015**” means Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time.

“**Senior Higher Priority Liabilities**” means any obligations in respect of principal of the Issuer under any Notes and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non-Preferred Liabilities.

“**Senior Non-Preferred Liabilities**” means any unsubordinated and unsecured senior non-preferred obligations (*créditos ordinarios no preferentes*) of the Issuer 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 Liabilities.

- 7. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day, and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein, “**Payment Business Day**”, shall mean any day, other than a Saturday or a Sunday, which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day; and

“**T2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 20 March 2023 or any successor thereto.

“**TARGET Business Day**” means any day on which T2 is open for the settlement of payments in Euro.

8. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
9. If this is an interest bearing Note, then:
  - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment.
10. If this is a fixed rate interest bearing Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:
  - (a) interest shall be payable on the above-mentioned Nominal Amount in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days, at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
  - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.
11. If this is a floating rate interest bearing Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:
  - (a) in the case of a Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. The Rate of Interest determined for any Interest Period by reference to EURIBOR shall be subject to a floor of zero to ensure that the Rate of Interest on any Interest Period for Floating Rate Notes is not negative. Interest shall be payable on the above-mentioned Nominal Amount in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (and unless otherwise specified in the Final Terms), “**EURIBOR**” shall be equal to EUR EURIBOR Reuters (as defined in the 2006 ISDA Definitions) or EUR-EURIBOR (as defined in the 2021 ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a Interest Determination Date in respect of EURIBOR), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

As used in this Global Note:

**“2006 ISDA Definitions”** means, in relation to a Series of Notes, the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

**“2021 ISDA Definitions”** means the 2021 Interest Rate Derivative ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website ([www.isda.org](http://www.isda.org)), as amended, updated or replaced at the Issue Date;

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

- (b) in the case of a Note which specifies ISDA Determination in the Final Terms, 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 (as defined in the ISDA Definitions) that would be determined by the Determination Agent under an interest rate swap transaction if the Determination Agent were acting as Determination Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is as specified in the relevant Final Terms.

The Rate of Interest determined for any Interest Period according to ISDA Determination shall be subject to a floor of zero to ensure that the Rate of Interest on any Interest Period for Floating Rate Notes is not negative.

- (c) in the case of a Note which specifies SONIA as the Reference Rate in the Final Terms, the Rate of Interest will be calculated in accordance with paragraph 11(c)(A), paragraph 11(c)(B) or paragraph 11(c)(C) below, subject to the provisions of paragraph 11(c)(E) and paragraph 11(c)(F) below, as applicable.
- (A) Where the Calculation Method is specified in the relevant Final Terms as being "SONIA Index Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
  - (B) Where the Calculation Method is specified in the relevant Final Terms as being "SONIA Weighted Average", the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
  - (C) The following definitions shall apply for the purpose of this paragraph 11(c)(C):
    - “Compounded Daily SONIA”** means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) and will be calculated as follows:
      - (x) if "Lag" or "Lock-out" is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_{i-\text{pLBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}; \text{ or}$$

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

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where, in each case:

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

"**d<sub>0</sub>**" means (x) if "Lag" or "Lock-out" is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of London Banking Days in the relevant Interest Period, or (y) if "Shift" is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (x) if "Lag" or "Lock-out" is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if "Shift" is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

"**Interest Period End Date**" shall have the meaning specified in the relevant Final Terms;

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

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

"**n<sub>i</sub>**", for any London Banking Day<sub>i</sub>, means the number of calendar days from and including such London Banking Day<sub>i</sub> up to but excluding the following London Banking Day;

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

"**p**" means, in respect of an Interest Period (x) where "Lag" or "Shift" is specified as the Observation Method in the relevant Final Terms, five London Banking Days or such larger number of days as specified in the relevant Final

Terms and (y) where "Lock-out" is specified as the Observation Method in the relevant Final Terms, zero;

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

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

**"SONIA<sub>i</sub>"** means, in respect of any London Banking Day<sub>i</sub>:

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

**"SONIA<sub>i-pLBD</sub>"** means:

- (x) if "Lag" is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, SONIA<sub>i</sub> in respect of the London Banking Day falling p London Banking Days prior to such London Banking Day<sub>i</sub> ("**pLBD**"); or
- (y) if "Lock-out" is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, SONIA<sub>i</sub> in respect of such London Banking Day<sub>i</sub>;

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

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

Where, in each case:



"d" is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

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

"p" means five London Banking Days or such larger number of days as specified in the relevant Final Terms;

"**SONIA Compounded Index<sub>Start</sub>**" means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the first day of such Interest Period;

"**SONIA Compounded Index<sub>End</sub>**" means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable); and

"**Weighted Average SONIA**" means:

- (x) where "Lag" is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or
  - (y) where "Lock-out" is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.
- (D) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 11(c)(B), if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with paragraph 11(c)(A) above and for these purposes the "Observation Method" shall be deemed to be "Shift".
- (E) If, in respect of any London Banking Day, the Determination Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has

not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

- a) (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
- b) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

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

- (d) in the case of a Note which specifies SOFR as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with paragraph 11(d)(A) or paragraph 11(d)(B) below, subject to the provisions of paragraph 11(d)(D):

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

- (B) Where the Calculation Method is specified in the relevant Final Terms as being "SOFR Compound", the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

- (C) The following definitions shall apply for the purpose of this paragraph 11(d):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

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

- (i) if "SOFR Compound with Lookback" is specified in the relevant Final Terms:

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

Where:

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

"**d<sub>0</sub>**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to  $d_0$ , each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

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

"**n<sub>i</sub>**" means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day;

"**SOFR<sub>i</sub>**" means, in respect of each U.S. Government Securities Business Day<sub>i</sub>, the SOFR in respect of such U.S. Government Securities Business Day; and

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

- (ii) if "SOFR Compound with Observation Period Shift" is specified in the relevant Final Terms:

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

Where:

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

"**d<sub>0</sub>**" means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to  $d_0$ , each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**n<sub>i</sub>**" means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day;

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

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

**"SOFR<sub>i</sub>"** means, in respect of each U.S. Government Securities Business Day<sub>i</sub>, the SOFR in respect of such U.S. Government Securities Business Day;

- (iii) if "SOFR Compound with Payment Delay" is specified in the relevant Final Terms:

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

Where:

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

**"d<sub>0</sub>"** means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

**"i"** means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

**"Interest Period End Dates"** shall have the meaning specified in the relevant Final Terms;

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

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

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

**"n<sub>i</sub>"** means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day; and

**"SOFR<sub>i</sub>"** means, for any U.S. Government Securities Business Day<sub>i</sub> in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Day<sub>i</sub>.

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S.

Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Notes become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

- (iv) if "SOFR Index with Observation Shift" is specified in the relevant Final Terms:

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

Where:

"**d<sub>c</sub>**" means, the number of calendar days from (and including) the day in relation to which SOFR Index<sub>Initial</sub> is determined to (but excluding) the day in relation to which SOFR Index<sub>Final</sub> is determined;

"**Interest Period End Dates**" shall have the meaning specified in the relevant Final Terms;

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such other number of days as specified in the relevant Final Terms;

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

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

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

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

"**NY Federal Reserve's Website**" means the website of the NY Federal Reserve, currently at [www.newyorkfed.org](http://www.newyorkfed.org), or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

"**Reuters Page USDSOFR**" means the Reuters page designated "USDSOFR" or any successor page or service;

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

- (i) (the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the "**SOFR Determination Time**") on the NY Federal Reserve's Website on such U.S. Government Securities Business Day, as such rate is reported on the Bloomberg

Screen SOFRRATE Page for such U.S. Government Securities Business Day or, if no such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate that is reported on the Reuters Page USDSOFR= or, if no such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day (the "**SOFR Screen Page**"); or

- (ii) if the rate specified in (a) above does not so appear and the Determination Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

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

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

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

Notwithstanding paragraphs 11(d)(A) to 11(d)(C) above, if the Determination Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in paragraph 11(d) (D) (SOFR Replacement Provisions) below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(D) SOFR Replacement Provisions

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

Determination Agent or (zz) such other entity that the Issuer determines to be competent to carry out such role.

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

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

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

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

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

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

**"Relevant Governmental Body"** means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

**"SOFR Benchmark"** means (a) (unless "SOFR Index with Observation Shift" is specified in the relevant Final Terms) SOFR or (b) SOFR Index (each as defined in paragraph 11(d)(C) above);

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

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

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR

Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

**"SOFR Replacement Alternatives"** means:

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

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

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

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

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



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

provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

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

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

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

- (d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

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

- (e) in the case of a Global Note which specifies €STR as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with paragraph 11(e)(A), paragraph 11(e)(B) or paragraph 11(e)(C) below, subject to the provisions of paragraph 11(e)(E) and of paragraph 11(e)(F) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being "€STR Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily €STR plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being "€STR Index Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily €STR Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being "€STR Weighted Average", the Rate of Interest for each Interest Period will be the Weighted Average €STR plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this paragraph 11(e) **"Compounded Daily €STR"** means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate (€STR) as reference rate for the calculation of interest) and will be calculated as follows:

- (x) if "Lag" or "Lock-out" is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

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

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

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

Where, in each case:

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

**"d<sub>0</sub>"** means (x) if "Lag" or "Lock-out" is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of TARGET Business Days in the relevant Interest Period, or (y) if "Shift" is specified as the

Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of TARGET Business Days in the relevant Observation Period;

the “**€STR reference rate**”, means, in respect of any TARGET Business Day, a reference rate equal to the daily euro short-term rate as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) on the website of the European Central Bank (or any successor administrator of such rate) or any successor source, in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the administrator of such rate on the TARGET Business Day immediately following such TARGET Business Day;

“**€STR<sub>i</sub>**” means, in respect of any TARGET Business Day<sub>i</sub>:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate in respect of pTBD in respect of such TARGET Business Day<sub>i</sub>; or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:
  - (1) in respect of any TARGET Business Day<sub>i</sub> that is a Reference Day, the €STR reference rate in respect of the TARGET Business Day immediately preceding such Reference Day; otherwise
  - (2) the €STR reference rate in respect of the TARGET Business Day immediately preceding the Interest Determination Date for the relevant Interest Period;
- (z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate for such TARGET Business Day<sub>i</sub>;

“**€STR<sub>i-pTBD</sub>**” means:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business Day<sub>i</sub>, €STR<sub>i</sub> in respect of the TARGET Business Day falling p TARGET Business Days prior to such TARGET Business Day<sub>i</sub> (“**pLBD**”); or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business<sub>i</sub>, €STR<sub>i</sub> in respect of such TARGET Business<sub>i</sub>;

“**i**” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

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

“**n<sub>i</sub>**”, for any TARGET Business Day<sub>i</sub>, means the number of calendar days from and including such TARGET Business Day<sub>i</sub> up to but excluding the following TARGET Business Day;

“**Observation Period**” means the period from and including the date falling “p” TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement

Date) and ending on, but excluding, the date falling “p” TARGET Business Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” TARGET Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five TARGET Business Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each TARGET Business Day in the relevant Interest Period that is not a TARGET Business Day falling in the Lock-out Period;

“**T2**” means the Trans-European Automated Realtime Gross settlement Express Transfer system which was launched on 20 March 2023 or any successor thereto;

“**TARGET Business Day**” or “**TBD**” means any day on which T2 is open;

“**Compounded Daily €STR Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the euro short-term rate (€STR) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily €STR rates administered by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) that is published or displayed on the website of the European Central Bank (or any successor administrator of such rate) or any successor source from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**€STR Compounded Index**”) and will be calculated as follows:

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

Where, in each case:

“d” is the number of calendar days from (and including) the day in relation to which €STR Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which €STR Compounded Index<sub>End</sub> is determined;

“p” means five TARGET Business Days or such larger number of days as specified in the relevant Final Terms;

“**€STR Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the first day of such Interest Period;

“**€STR Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” TARGET Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**T2**” means the Trans-European Automated Realtime Gross settlement Express Transfer system which was launched on 20 March 2023 or any successor thereto;

“**TARGET Business Day**” or “**TBD**” means any day on which T2 is open; and

“**Weighted Average €STR**” means:

- (x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall be deemed to be the €STR reference rate in respect of the TARGET Business immediately preceding such calendar day; or

- (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the €STR reference rate for such calendar day will be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding the first day of such Lock-out Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall, subject to the preceding proviso, be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding such calendar day.
- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 11(e)(B), if the relevant €STR Compounded Index is not published or displayed by the European Central Bank (or any successor administrator of such rate) reference rate or other information service by 5.00 p.m. (Frankfurt time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the European Central Bank (or any successor administrator of €STR) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the €STR Compounded Index is not available in accordance with paragraph 11(e)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) Where “€STR” is specified as the relevant Reference Rate in the relevant Final Terms, if, in respect of any TARGET Business Day, €STR is not available, such Reference Rate shall be the €STR reference rate for the first preceding TARGET Business Day on which the €STR reference rate was published by the European Central Bank, as the administrator of the €STR reference rate (or any successor administrator of the €STR reference rate) on the website of the European Central Bank (or of any successor administrator of such rate), and “r” shall be interpreted accordingly.
- (G) If the relevant Series of Notes become due and payable, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
- (f) in the case of a Global Note which specifies SARON as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with paragraph 11(f)(A), paragraph 11(f)(B) or paragraph 11(f)(C) below, subject to the provisions of paragraph 11(f)(E), paragraph 11(f)(F) and paragraph 11(f)(G) below, as applicable:
  - (A) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
  - (B) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

- (C) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this paragraph 11(f):

“**Compounded Daily SARON**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Swiss franc (with the daily Swiss Average Rate Overnight (SARON) as reference rate for the calculation of interest) and will be calculated as follows:

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

$$3 \quad \left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SARON_{i-pZBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

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

$$4 \quad \left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where, in each case:

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

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Zurich Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of Zurich Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Zurich Banking Day in chronological order from, and including, the first Zurich Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

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

“**n<sub>i</sub>**”, for any Zurich Banking Day<sub>i</sub>, means the number of calendar days from and including such Zurich Banking Day<sub>i</sub> up to but excluding the following Zurich Banking Day;

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

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each Zurich Banking Day in the relevant Interest Period that is not a Zurich Banking Day falling in the Lock-out Period;

the “**SARON reference rate**”, means, in respect of any Zurich Banking Day, a reference rate equal to the Swiss Average Rate Overnight (SARON) rate for such Zurich Banking Day as published by the SARON Administrator on the Relevant Screen Page at the Relevant Time on such Zurich Banking Day;

“**SARON<sub>i</sub>**” means, in respect of any Zurich Banking Day<sub>i</sub>:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate in respect of pZBD in respect of such Zurich Banking Day<sub>i</sub>; or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:
  - (1) in respect of any Zurich Banking Day<sub>i</sub> that is a Reference Day, the SARON reference rate in respect of the SARON Banking Day immediately preceding such Reference Day; otherwise
  - (2) the SARON reference rate in respect of the SARON Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;
- (z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate for such Zurich Banking Day<sub>i</sub>;

“**SARON<sub>i-pZBD</sub>**” means:

- (x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of the Zurich Banking Day falling p Zurich Banking Days prior to such Zurich Banking Day<sub>i</sub> (“pZBD”); or
- (y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of such Zurich Banking Day<sub>i</sub>; and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions;

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

$$\left( \frac{SARON\ Compounded\ Index_{End}}{SARON\ Compounded\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which SARON Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SARON Compounded Index<sub>End</sub> is determined;

“**p**” means five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms;

“**SARON Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the first day of such Interest Period;

“**SARON Compounded Index**<sub>End</sub>” means with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Zurich Banking Days prior to such earlier date, if any, on which the Notes become due and payable); and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions; and

“**Weighted Average SARON**” means:

- (x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day; or
  - (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SARON reference rate for such calendar day will be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall, subject to the preceding proviso, be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day.
- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 11(f) (B), if the relevant SARON Compounded Index is not published or displayed by the SARON Administrator or other information service by 5.00 p.m. (Zurich time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SARON Administrator or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SARON Compounded Index is not available in accordance with paragraph 11(e)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) If the SARON reference rate is not published on the Relevant Screen Page (the “**SARON Screen Page**”) at the Relevant Time on the relevant Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the SARON reference rate for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.
- (G) If the SARON reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Zurich Banking Day and both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the Reference Rate shall be:
- (i) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or



- (ii) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the “**SNB Policy Rate**”) for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Any substitution of the SARON reference rate by the SARON Recommended Replacement Rate or the SNB Policy Rate as specified above (the “**SARON Replacement Rate**”) will remain effective for the remaining term to maturity of the Notes.

Notwithstanding any other provision of this paragraph (G), if (i) the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Determination Agent, or (ii) the Issuer determines that the replacement of then-current SARON reference rate by the SARON Replacement Rate or any other amendments to the terms of the Notes necessary to implement such replacement could reasonably result in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date, no SARON Replacement Rate will be adopted by the Determination Agent, and the SARON Replacement Rate for the relevant Interest Period will be equal to the last SARON available on the SARON Screen Page as determined by the Determination Agent. Notwithstanding the above, if the provisions of this paragraph fail to provide a means of determining the Rate of Interest, sub-paragraph (l) below shall apply.

In connection with the SARON reference rate provisions above, the following definitions apply:

“**SARON Administrator**” means SIX Swiss Exchange or any successor administrator of the Swiss Average Rate Overnight;

“**SARON Administrator Website**” means the website of the SARON Administrator;

“**SARON Index Cessation Effective Date**” means the earliest of:

- (i) in the case of the occurrence of a SARON Index Cessation Event described in sub-paragraph (i) of the definition thereof, the date on which the SARON Administrator ceases to provide the Swiss Average Rate Overnight;
- (ii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(x) of the definition thereof, the latest of: (x) the date of such statement or publication, (y) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative, and (z) if a SARON Index Cessation Event described in sub-section (ii)(y) of the definition thereof has occurred on or prior to either or both dates specified in subclauses (x) and (y) of this sub-paragraph (ii), the date as of which the Swiss Average Rate Overnight may no longer be used; and
- (iii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(y) of the definition thereof, the date as of which the Swiss Average Rate Overnight may no longer be used;

“**SARON Index Cessation Event**” means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or
- (ii) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate

Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of sub-section (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives;

“**SARON Recommended Adjustment Spread**” means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

- (i) that the SARON Recommending Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or
- (ii) if the SARON Recommending Body has not recommended such a spread, formula or methodology as described in sub-paragraph (ii) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such SARON Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Determination Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon;

“**SARON Recommended Replacement Rate**” means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the “**SARON Recommending Body**”);

“**SIX Swiss Exchange**” means SIX Swiss Exchange AG and any successor thereto; and

“**SNB Adjustment Spread**” means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Determination Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

- (H) If the relevant Series of Notes become due and payable, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
- (g) in the case of a Global Note which specifies TONA as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will be calculated in accordance with

paragraph 11(g)(A), paragraph 11(g)(B), paragraph 11(g)(C) below, subject to the provisions of paragraph 11(g)(E) and paragraph 11(g)(F):

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily TONA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily TONA Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average TONA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Determination Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this paragraph 11(g):

“**Compounded Daily TONA**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Japanese Yen (with the daily Tokyo Overnight Average (TONA) as reference rate for the calculation of interest) and will be calculated as follows:

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

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

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

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

Where, in each case:

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

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Tokyo Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of Tokyo Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as

the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

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

“**n<sub>i</sub>**”, for any Tokyo Banking Day<sub>i</sub>, means the number of calendar days from and including such Tokyo Banking Day<sub>i</sub> up to but excluding the following Tokyo Banking Day;

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

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each Tokyo Banking Day in the relevant Interest Period that is not a Tokyo Banking Day falling in the Lock-out Period;

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

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

“**TONA<sub>i</sub>**” means, in respect of any Tokyo Banking Day<sub>i</sub>:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate in respect of pTBD in respect of such Tokyo Banking Day<sub>i</sub>;  
or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

(1) in respect of any Tokyo Banking Day<sub>i</sub> that is a Reference Day, the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such Reference Day; otherwise

(2) the TONA reference rate in respect of the Tokyo Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate for such Tokyo Banking Day<sub>i</sub>; and

“**TONA<sub>i-pTBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of the Tokyo Banking Day falling p Tokyo Banking Days prior to such Tokyo Banking Day<sub>i</sub> (“**pTBD**”);  
or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of such Tokyo Banking Day<sub>i</sub>; and

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

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

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which TONA Compounded Index<sub>start</sub> is determined to (but excluding) the day in relation to which TONA Compounded Index<sub>End</sub> is determined;

“**p**” means five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms;

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

“**TONA Compounded Index<sub>start</sub>**” means, with respect to an Interest Period, the TONA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior to the first day of such Interest Period;

“**TONA Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Tokyo Banking Days prior to such earlier date, if any, on which the Notes become due and payable); and

“**Weighted Average TONA**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the TONA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the TONA reference rate in respect of any calendar day which is not a Tokyo Banking Day shall be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such calendar day; or

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

(E) Where the Rate of Interest for each Interest Period is calculated in accordance with paragraph 11(g)(B), if the relevant TONA Compounded Index is not published or displayed by the administrator of the TONA reference rate or other information service by 5.00 p.m. (Tokyo time) (or, if later, by the time falling one hour after the

customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the Bank of Japan (or any successor administrator) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the TONA Compounded Index is not available in accordance with paragraph 11(g)(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.

- (F) If the TONA reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Tokyo Banking Day, the TONA reference rate for such Tokyo Banking Day shall be the rate equal to the Tokyo Overnight Average published by the administrator of the TONA reference rate on the Relevant Screen Page for the last preceding Tokyo Banking Day on which the Tokyo Overnight Average was published by the administrator of TONA on the Relevant Screen Page.
  - (G) If the relevant Series of Notes become due and payable, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
- (h) the Determination Agent specified in the Final Terms will, (i) as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date in respect of EURIBOR; (ii) at the Relevant Time specified in the relevant Final Terms on each Interest Determination Date in respect of SONIA, SOFR, €STR, SARON or TONA as applicable; or, (iii) in the case of ISDA Determination, at the time and on the Reset Date specified in the relevant Final Terms, determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period.

“**Rate of Interest**” means; (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 11(a); (B) in the case of a Note which specifies ISDA Determination in the Final Terms, the rate which is determined in accordance with the provisions of paragraph 11(b); (C) if the Reference Rate is SONIA, the rate which is determined in accordance with the provisions of paragraph 11(c); (D) if the Reference Rate is SOFR, the rate which is determined in accordance with the provisions of paragraph 11(d); (E) if the Reference Rate is €STR, the rate which is determined in accordance with the provisions of paragraph 11(e); (F) if the Reference Rate is SARON, the rate which is determined in accordance with the provisions of paragraph 11(f); and (G) if the Reference Rate is TONA, the rate which is determined in accordance with the provisions of paragraph 11(g).

The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each Denomination, multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Determination Agent shall (in the absence of manifest error) be final and binding upon all parties;

- (i) a certificate of the Determination Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (j) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “Interest Period” for the purposes of this paragraph; and

- (k) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer this or if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).
- (l) If a Benchmark Event occurs in relation to an Original Reference Rate (other than SOFR) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (subject to the terms of this paragraph (i)), failing which an Alternative Rate (in accordance with paragraph (i), and, in either case, an Adjustment Spread if any (in accordance with paragraph (i) and any Benchmark Amendments (in accordance with paragraph (i))).

An Independent Adviser appointed pursuant to this paragraph (i) shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agent, or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this paragraph (i).

If (a) the Issuer is unable to appoint an Independent Adviser; or (b) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this paragraph (i) prior to the relevant Interest Determination Date in respect of EURIBOR, SONIA, SOFR, €STR, SARON or TONA as applicable, the Rate of Interest applicable to the next succeeding Interest Period, shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period or, where the Benchmark Event occurs before the first Interest Payment Date, the Rate of Interest will be Initial Rate of Interest specified in the Final Terms. For the avoidance of doubt, this paragraph (i) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this paragraph (i).

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

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

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), if any, shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

If any Successor Rate, Alternative Rate and in, either case, the applicable Adjustment Spread is determined in accordance with this paragraph (i) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these terms and conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “Benchmark

Amendments”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with paragraph (h), without any requirement for the consent or approval of Holders, vary these terms and conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this paragraph (i), the Determination Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this paragraph (i) to which, in the sole opinion of the Determination 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 Determination Agent or the relevant Paying Agent (as applicable) in the Issue and Paying Agency Agreement and/or these terms and conditions.

In connection with any such variation in accordance with this paragraph (i), 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.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this paragraph (i) will be notified promptly by the Issuer to the Determination Agent, the Paying Agents and the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Issue and Paying Agent, the Determination Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

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

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

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



calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

Without prejudice to the obligations of the Issuer under the foregoing paragraphs, the Original Reference Rate and the fallback provisions provided for herein will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this paragraph (i) shall prevail.

As used in this paragraph (i):

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

- (i) Determination Agent specified in the Final in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied);
- (iii) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, 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 if the Issuer determines that no such industry standard is recognised or acknowledged);
- (iv) if no such spread, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this subclause (iv) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Holders.

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with paragraph (i) is customarily applied in the international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Notes; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for the Issue and Paying Agent, the Determination Agent, the Issuer or other party to calculate any payments due to be made to any Holder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Issue and Paying Agent, the Determination Agent and the Paying Agents. For the avoidance of doubt, neither the Issue and Paying Agent, the Determination Agent nor the Paying Agents shall have any responsibility for making such determination.

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer.

**“Original Reference Rate”** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Notes.

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

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

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

12. This Note shall not be validly issued unless manually authenticated by Citibank, N.A., London Branch as Issue and Paying Agent.

13. The status of this Definitive Note, the exercise of the Bail-in Power and any Stay Powers by the Relevant Resolution Authority, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. This Definitive Note and any non-contractual obligations arising out of or in connection with it are governed by, and construed in accordance with, English law.
- (a) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with this Definitive Note (including a dispute relating to any non-contractual obligations arising out of or in connection with this Definitive Note or a dispute regarding the existence, validity or termination of this Definitive Note) or the consequences of its nullity.
  - (b) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
  - (c) *Rights of the bearer to take proceedings outside England*: Paragraph 13(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this paragraph 13 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
  - (d) *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Banco Santander, S.A., London Branch, at 2 Triton Square, Regent’s Place, London NW1 3AN (United Kingdom) or at any address of the Issuer in Great Britain at which service of process may be served on it. Nothing in this sub paragraph shall affect the right of the bearer to serve process in any other manner permitted by law.
14. If this Note has been admitted to listing on the official list of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) and to trading on the regulated market of Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Note shall be published in accordance with the requirements of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system).
15. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
16. **Bail-in**
- (a) *Acknowledgement*: Notwithstanding any other term of this Note or any other agreement, arrangement or understanding between the Issuer and the bearer, by its subscription and/or purchase and holding of this Note, each bearer (which for the purposes of this paragraph 16 includes each Holder of a beneficial interest in this Note) acknowledges, accepts, consents to and agrees:
    - (i) to be bound by the effect of the exercise of the Bail-in 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 bearer of this Note of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of this Note, in which case the bearer agrees to accept in lieu of its rights under this Note any such shares, other securities or other obligations of the Issuer or another person;

- the cancellation of this Note or Amounts Due; and
  - the amendment or alteration of the maturity of this Note or amendment of the Amount of Interest payable on this Note, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the terms of this Note are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.
- (b) *Payment of Interest and Other Outstanding Amounts Due:* No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in the Kingdom of Spain and the European Union applicable to the Issuer or other members of the Consumer Group.
- (c) *Notice to bearer:* Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to this Note, the Issuer will make available a written notice to the bearer as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Paying Agents for information purposes. Any delay or failure to give notice to the bearer will not affect the validity or enforceability of the Bail-in Power.
- (d) *Duties of the Paying Agents:* Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Issue and Paying Agent shall not be required to take any directions from *bearer*, and (b) the Issue and Paying Agency Agreement shall impose no duties upon the Issue and Paying Agent whatsoever, with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.
- (e) *Proration:* If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless any of the Paying Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of this Note pursuant to the Bail-in Power will be made on a pro-ratabasis.
- (f) *Conditions Exhaustive:* The matters set forth in this paragraph 16 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.

For the purposes of this paragraph 16:

“**Amounts Due**” means the principal amount or outstanding amount, together with any accrued but unpaid interest, and additional amounts as described in paragraph 3, if any, due on the Notes. 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 Bail-in Power by the Relevant Resolution Authority.

“**Bail-In Power**”: means any powers existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the resolution of credit entities and/or transposition of the BRRD (including, but not limited to Law 11/2015, Royal Decree 1012/2015, of 6 November, implementing Law 11/2015, as amended or superseded, and any other implementing regulations); (ii) the SRM Regulation; and (iii) the instruments, rules or standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such regulated entity or any other person.

“**Relevant Resolution Authority**” means the Fund for Orderly Bank Restructuring (*Fondo de Reestructuración Ordenada Bancaria*), the Single Resolution Board or any other entity with the

authority to exercise any the resolution tools and powers contained in Law 11/2015 and the SRM Regulation from time to time.

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

17. **Recognition of Stay Powers**

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of the Notes, each Holder (which for the purposes of this paragraph 17, includes each Holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees that it may be subject to the exercise of Stay Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

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

For the purposes of this paragraph 17:

“**Stay Powers**” means any suspension of obligations or restriction of rights in accordance with Articles 33a, 69, 70 and 71 of BRRD, implemented in Spain through Articles 66 and 70 to 70 ter of Law 11/2015.

18. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED** by

Signed on behalf of:

**CITIBANK, N.A., LONDON BRANCH**

**SANTANDER CONSUMER FINANCE, S.A.**

without recourse, warranty or liability and for authentication purposes only

By: .....  
(Authorised Signatory)

By: .....  
(Authorised Signatory)

By: .....

By: .....

*(Authorised Signatory)*<sup>4</sup>

*(Authorised Signatory)*

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<sup>4</sup> Include second authentication block if the currency of this Note is Sterling.

**SCHEDULE  
PAYMENTS OF INTEREST**

The following payments of interest in respect of this Note have been made:

<b>Date Made</b>	<b>Payment From</b>	<b>Payment To</b>	<b>Gross Amount Payable</b>	<b>Withholding at 20%</b>	<b>Net Amount Paid</b>	<b>Notation on behalf of Issue and Paying Agent</b>
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.*

**[MiFID II product governance / Professional investors and Eligible Counterparties 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. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.]

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 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.

**[UK MiFIR product governance / Professional investors and Eligible Counterparties 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. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

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

**[Notification under Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) – [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA].]**<sup>5</sup>

*[Amounts payable under the Notes may be calculated by reference to [specify benchmark (as this term is defined in the EU Benchmarks Regulation)] which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the*

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<sup>5</sup> Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA for any Notes being sold into Singapore.



European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (“**EU Benchmarks Regulation**”).]

[As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

**Santander Consumer Finance, S.A.**

**EUR 10,000,000,000 Euro-Commercial Paper Programme (the “Programme”)**

**(LEI: 5493000LM0MZ4JPMGM90)**

**Issue of [Aggregate Principal Amount of Notes] [Title of Notes]**

## **PART A – CONTRACTUAL TERMS**

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 14 June 2023 (as amended, updated or supplemented from time to time, the “**Information Memorandum**”) in relation to the Programme) in relation to the issue of Notes referred to above (the “**Notes**”). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in these Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. These Final Terms are supplemented to and must be read in conjunction with the full terms and conditions of the Notes. These Final Terms are also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Ciudad Grupo Santander, Avenida Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain, at the offices of the Issue and Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom. The Information Memorandum has been published on the websites of the Issuer (<http://www.santanderconsumer.com>) and of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>).

The particulars to be specified in relation to the issue of the Notes are as follows:

[Include whichever of the following apply or specify as “Not applicable” (N/A). Note that the numbering should remain as set out below, even if “Not applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

- |    |                     |   |
|----|---------------------|---|
| 1. | Issuer:             | Santander Consumer Finance, S.A.<br>LEI: 5493000LM0MZ4JPMGM90 |
| 2. | Type of Note:       | Euro commercial paper   |
| 3. | Series No:          | []  |
| 4. | Dealer(s):          | []  |
| 5. | Specified Currency: | []  |
| 6. | Nominal Amount:     | []  |
| 7. | Trade Date:         | []  |

8. Issue Date:
9. Maturity Date:  [May not be less than 1 day nor more than 364 days]
10. Interest Commencement Date:  [Issue Date][Not Applicable]
11. Issue Price (for interest bearing Notes) or (if applicable) discount rate (for discount Notes):
12. Denomination:
13. Redemption Amount: [Redemption at par][] per Note of [] Denomination [other]
14. Delivery: [Free of/against] payment

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

15. **Fixed Rate Note Provisions**  [Applicable/Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest:  [% per annum]
- (ii) Interest Payment Date(s):
- (iii) Day Count Convention (if different from that specified in the terms and conditions of the Notes):  [Not applicable/other]  
[The above-mentioned Day Count Convention shall have the meaning given to it in the [2006/2021] ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]<sup>6</sup>
- (iv) Other terms relating to the method of calculating interest for Fixed Rate Notes (if different from those specified in the terms and conditions of the Notes):  [Not applicable/give details]
16. **Floating Rate Note Provisions**  [Applicable/Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Payment Dates:
- (ii) Determination Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [] *Name*] shall be the Determination Agent]
- (iii) Manner in which the Rate(s) if Interest is/are to be determined: [Screen Rate Determination / ISDA Determination ]

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<sup>6</sup> Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

- (iv) Screen Rate Determination:  [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Reference Rate:  [EURIBOR][ SONIA][ SOFR][ €STR][ SARON][ TONA]
- (b) Interest Determination Date(s):  [Second [specify type of day] prior to the start of each Interest Period]
- (In the case of EURIBOR where the Reference Currency is Euro, the second day on which T2 is open prior to the start of each Interest Period)*
- /  [London Banking Days prior to the end of each Interest Period]
- (Include where the Reference Rate is SONIA)*
- [U.S. Government Securities Business Days prior to each Interest Payment Date]  [Not Applicable]
- (Include where the Reference Rate is SOFR)*
- [TARGET Business Days prior to each Interest Payment Date]
- (Include where the Reference Rate is €STR)*
- [Zurich Banking Days prior to each Interest Payment Date]
- (Include where the Reference Rate is SARON)*
- [Tokyo Banking Days prior to each Interest Payment Date]
- (Include where the Reference Rate is TONA)*
- (c) Relevant Screen Page:  [ ]
- (d) Relevant Time:  [ ]
- (e) [Calculation Method: *[Include where the Reference Rate is SONIA: [SONIA Compounded Daily]/[SONIA Index Compounded Daily]/[SONIA Weighted Average]]*
- [Include where the Reference Rate is SOFR: [SOFR Arithmetic Mean]/[SOFR Compound: [SOFR Compound with Lookback]/[SOFR Compound with Observation Period Shift]/ ]/[SOFR Compound with Payment Delay]/[SOFR Index with Observation Shift]]]*
- [Include where the Reference Rate is €STR: [€STR Compounded Daily]/[€STR Index Compounded Daily]/[€STR Weighted Average]]*
- [Include where the Reference Rate is SARON: [SARON Compounded Daily]/[SARON Index Compounded Daily]/[SARON Weighted Average]]*
- [Include where the Reference Rate is TONA: [TONA Compounded Daily]/[TONA Index Compounded Daily]/[TONA Weighted Average]]*

- (f) Observation Method: *[Include where the Calculation Method is SONIA/€STR/SARON/TONA Compounded Daily: [Lag]/[Lock-out]/[Shift]]*
- (g) “p”:  
 [[specify] [London Banking Days]/[U.S. Government Securities Business Days]/[TARGET Business Days]/[Zurich Banking Days]/[Tokyo Banking Days]/[As per the Conditions]/[Not applicable]]  
*(Include where the Reference Rate is SONIA, €STR, SARON, TONA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback))*
- (h) [Observation Shift Days]: [[specify] U.S. Government Securities Business Days]/[As per the terms and conditions of the Notes]/[Not applicable]]
- (i) Interest Payment Delay: [Not Applicable / [ ] U.S. Government Securities Business Day(s)]  
*(Include where the Reference Rate is SOFR)*
- (j) Interest Period End Dates: [specify] [The Interest Payment Date for such Interest Period] [Not Applicable]  
*(Include where the Reference Rate is SONIA, €STR, SARON or TONA and the Observation Method is “Shift” or SOFR and the Calculation Method is Compound with Payment Delay)*
- (k) [SOFR Cut-Off Date: [As per the terms and conditions of the Notes]/[[specify] U.S. Government Securities Business Days]/[ Not applicable]]  
*(Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean)*
- (l) [SOFR Replacement Alternatives Priority: [As per the terms and conditions of the Notes]/[specify order of priority of SOFR Replacement Alternatives listed in the terms and conditions of the Notes.]]
- (v) ISDA Determination: [Applicable/Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
- (b) Floating Rate Option: []
- (c) Designated Maturity: []
- (d) Reset Date and time: [] [Not applicable] *[in the case of self-compounding overnight interest rate commercial paper, the Reset Date will be the date prior to each Interest Payment Date].<sup>7</sup>*

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<sup>7</sup> Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

- |        |  |  |
|--------|--|--|
| (e)    | [ISDA Benchmarks Supplement]:  | [Applicable / Not applicable]  |
| (vi)   | Margin(s):   | [+/-][ ] % per annum   |
| (vii)  | Day Count Convention if different from that specified in the terms and conditions of the Notes:  | [Not applicable/ <i>other</i> ]<br>[The above-mentioned Day Count Convention shall have the meaning given to it in the [2006/2021] ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.] <sup>8</sup> |
| (viii) | Initial Rate of Interest:  | [ ]  |
| (ix)   | Any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the terms and conditions of the Notes: | [ ]  |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |     |                                   |   |
|-----|-----------------------------------|---|
| 17. | Relevant Financial Centre:        | [Specify / the Financial Centre in Section 1.5 of the ISDA Definitions for the Specified Currency]  |
| 18. | Listing and admission to trading: | [Ireland (Euronext Dublin). Application [ <i>has been made/is expected to be made</i> ] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [ ]][ <i>other</i> ]   |
| 19. | Ratings:                          | The Notes to be issued under the Programme have been rated:<br><br>[S&P: [ ]]<br><br>[Fitch: [ ]]<br><br>[Moody's: [ ]]<br><br>[ <i>Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.</i> ]<br><br>[Not Applicable] |
| 20. | Clearing System(s):               | Euroclear Bank SA/NV [,/and] Clearstream Banking S.A.   |
| 21. | Issue and Paying Agent:           | Citibank, N.A., London Branch   |
| 22. | Listing Agent:                    | [Walkers Ireland LLP / [Not applicable] / [ <i>Give name</i> ]  |
| 23. | ISIN:                             | [ ]   |

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<sup>8</sup> Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

24. Common code: []
25. Any clearing system(s) other than or in addition to Euroclear Bank, SA/NV, Clearstream Banking S.A. and the relevant identification number(s): [Not applicable/give name(s) and number(s)]
26. New Global Note: [Yes][No][Not applicable.]
27. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and 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.][include this text if “yes” selected in which case the Notes must be issued in NGN form]
- [No. Whilst the designation is specified as “No” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] [Include this text if “No” selected in which case the Notes must be issued in CGN form]]
28. Relevant Benchmark(s): [[Specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [Not Applicable]

## LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 10,000,000,000 Euro-Commercial Paper Programme of Santander Consumer Finance, S.A.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of **SANTANDER CONSUMER FINANCE, S.A.**

By: .....  
(*duly authorised*)

Dated:

## PART B – OTHER INFORMATION

### 1. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

[“Save as discussed in paragraph [1] of “*Subscription and Sale*”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

### 2. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

Estimated total expenses: []

### 3. Fixed Rate Notes only – YIELD<sup>9</sup>

Indication of yield: []

### 4. Floating Rate Notes only – HISTORIC INTEREST RATES

[Details of historic [EURIBOR/SONIA/SOFR/ESTR/SARON/TONA] rates can be obtained from [Reuters]].

### 5. [Additional Selling Restriction for placements of Notes in Japan] JAPAN

*[In the case where the Japanese offerees are limited to Qualified Institutional Investors only, and therefore the Issuer relies upon the Qualified Institutional Investor private placement exemption (the Issuer must appoint its attorney in Japan):*

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”) in reliance upon the exemption from the registration requirements since the offering constitutes the private placement to qualified institutional investors only.

A transferor of the Notes shall not transfer or resell them except where a transferee is a qualified institutional investor under Article 10 of the Cabinet Office Ordinance concerning Definitions provided in Article 2 of the Financial Instruments and Exchange Act of Japan (the Ministry of Finance Ordinance No. 14 of 1993, as amended).]

*[In the case where the Japanese offerees are fewer than 50, and therefore the Issuer relies upon the small number private placement exemption:*

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement.

[A transferor of the Notes shall not transfer or resell the Notes except where the transferor transfers or resells all the Notes *en bloc* to one transferee.]

*[/Replace second paragraph above with the following if, in addition to fewer than 50 offerees, the numbers of the notes to be sold in Japan is fewer than 50:*

[The Note is not permitted to be divided into any unit less than the minimum denomination.]

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<sup>9</sup> To be marked “Not applicable” in the case of discount notes for which a discount rate is applicable.



## REGULATION

*The following is a summary of the most relevant aspects of the regulatory framework applicable to the Consumer Group, as well as the main factors that have directly or indirectly affected or are currently affecting its operations in a significant way.*

*In addition, see “Risk Factors”, which includes the specific and significant factors that the Consumer Group believes could significantly affect its operations.*

### **EU fiscal and banking union**

The project of achieving a European banking union was launched in the summer of 2012. Its main goal is to resume progress towards the European single market for financial services by restoring confidence in the European banking sector and ensuring the proper functioning of monetary policy in the eurozone.

The banking union is expected to be achieved through new harmonised banking rules (the single rulebook) and a new institutional framework with stronger systems for both banking supervision and resolution that will be managed at the European level. Its two main pillars are the Single Supervisory Mechanism (the “SSM”) and the Single Resolution Mechanism (the “SRM”).

The SSM (comprised by both the ECB and the national competent authorities) is designed to assist in making the banking sector more transparent, unified and safer.

The SSM represented a significant change in the approach to bank supervision at a European and global level, and resulted in the direct supervision by the ECB of the largest financial institutions, including the Consumer Group, and indirect supervision of around 3,500 financial institutions and is now one of the largest in the world in terms of assets under supervision. In the coming years, the SSM is expected to continue working on the establishment of a new supervisory culture importing best practices from the 19 national competent authorities that are part of the SSM and promoting a level playing field across participating Member States. Several steps have already been taken in this regard such as the publication of the Supervisory Guidelines; the approval of the Regulation (EU) No 468/2014 of the ECB of 16 April 2014, establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the “SSM Framework Regulation”); the approval of a Regulation (Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law) and a set of guidelines on the application of CRR's national options and discretions, etc. In addition, the SSM represents an extra cost for the financial institutions that funds it through payment of supervisory fees.

The other main pillar of the EU banking union is the SRM, the main purpose of which is to ensure a prompt and coherent resolution of failing banks in Europe at minimum cost for the taxpayers and the real economy. The SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund (“SRF”). Under the intergovernmental agreement (IGA) signed by 26 EU member states on 21 May 2014, contributions by banks raised at national level were transferred to the SRF. The Single Resolution Board (“SRB”), which is the central decision-making body of the SRM, started operating on 1 January 2015 and has fully assumed its resolution powers on 1 January 2016. The SRB is responsible for managing the SRF and its mission is to ensure that credit institutions and other entities under its oversight, which face serious difficulties, are resolved effectively with minimal costs to taxpayers and the real economy. From that date onwards, the SRF is also in place, funded by contributions from European banks in accordance with the methodology approved by the Council of the EU. The SRF is expected to reach a total amount of €80 billion by the end of 2023 and to be used as a separate backstop only after an 8%, bail-in of a bank’s liabilities has been applied to cover capital shortfalls (in line with the BRRD).

In order to complete such banking union, a single deposit guarantee scheme is still needed which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders to ensure further progress is made in European fiscal, economic and political integration.

Regulations adopted towards achieving a banking and/or fiscal union in the EU and decisions adopted by the ECB in its capacity as the main supervisory authority of the Consumer Group may have a material impact on its business, financial condition and results of operations.

Moreover, regulations adopted on structural measures to improve the resilience of EU credit institutions may have a material impact on the business, financial condition, results of operations and prospects of the

Consumer Group. These regulations, if adopted, may also cause the Consumer Group to invest significant management attention and resources to make any necessary changes.

### **Capital, liquidity and funding requirements**

#### ***Overview***

As a Spanish financial institution, the Issuer is subject to the Capital Requirements Regulation (Regulation (EU) No 575/2013 of 26 June, of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms) (“**CRR I**”) as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May, (the “**CRR II**” and together with the CRR I, the “**CRR**”) and the Capital Requirements Directive (Directive 2013/36/EU of 26 June, of the European Parliament on access to credit institution and investment firm activities and on prudential supervision of credit institutions and investment firms) (“**CRD IV**”) as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May, amending the CRD IV Directive with respect to exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (the “**CRD V Directive**” and together with the CRD IV Directive, the “**CRD Directive**”), through which the EU began implementing the Basel III capital reforms from 1 January 2014. While the CRD IV required national transposition, the CRR was directly applicable in all the EU member states. This regulation is complemented by several binding technical standards and guidelines issued by the European Banking Authority (“**EBA**”), directly applicable in all EU member states, without the need for national implementation measures either. The implementation of the CRD IV into Spanish law has taken place through Royal Decree Law 14/2013, of 29 November, on urgent measures to adapt Spanish law to EU regulations on the subject of supervision and solvency of financial entities, Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities (“**Law 10/2014**”), Royal Decree 84/2015, of 13 February, implementing Law 10/2014, Bank of Spain Circular 2/2014, of 31 January, and Bank of Spain Circular 2/2016, of 2 February.

On 27 June 2019, a comprehensive package of reforms amending CRR, CRD IV, BRRD and Regulation (EU) No 1093/2010 (the “**SRM Regulation**”) came into force: (i) CRD V; (ii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (“**BRRD II**”); (iii) CRR II; and (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (“**SRM Regulation II**”, and, together with CRD V, BRRD II and CRR II, the “**EU Banking Reforms**”).

CRD V and BRRD II were implemented into Spanish law through Royal Decree-Law 7/2021, of 27 April, amending Law 11/2015 (“**RDL 7/2021**”) and Law 11/2015, Royal Decree 970/2021, which amended Royal Decree 84/2015, and Circulars 5/2021 and 3/2022 of the Bank of Spain, which amended Circular 2/2016 of the Bank of Spain, and Royal Decree 1041/2021, which amended Royal Decree 1012/2015. Despite the fact that RDL 7/2021 is generally enforceable since 29 April 2021, the Spanish Parliament decided on 19 March 2021 to process it as a Bill and so RDL 7/2021 provisions may be subject to changes. Therefore, there remains uncertainty as to how the EU Banking Reforms will be implemented and applied by the relevant authorities.

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 capital instruments, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above.

With respect to the European Commission's proposal to create a new asset class of “non-preferred” senior debt, on 27 December 2017, Directive 2017/2399 amending Directive 2014/59/EU with respect to the ranking of unsecured debt instruments in insolvency hierarchy was published in the Official Journal of the EU and sets forth a harmonised national insolvency ranking of unsecured debt instruments to facilitate the issuance by credit institutions of senior “non-preferred” instruments. Before that, RDL 11/2017 created in Spain the new asset class of senior-non preferred debt.

On 27 October 2021, the European Commission published legislative proposals to amend CRR and the CRD IV, as well as a separate legislative proposal to amend CRR and BRRD in the area of resolution. 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 harmonise supervisory powers and tools and reduce institutions' administrative costs related to public disclosures and to improve access to institutions' prudential data. Moreover, these legislative proposals include the following: (i) a directive of the European Parliament and of the Council amending CRD IV with respect to supervisory powers, sanctions, third-country branches, and environmental, social and governance risks; (ii) a regulation of the European Parliament and of the Council and its annex amending CRR with respect to requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor; and (iii) a regulation of the European Parliament and of the Council amending CRR and BRRD with respect to the prudential treatment of global systemically important institutions 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 chain" proposal). The European Parliament and the Council adopted on 19 October 2022 Regulation (EU) 2022/2036 amending CRR and BRRD, which partially started to apply on 14 November 2022. Although the final report by the European Parliament is expected during the first quarter of 2023, the timing for the final implementation of the legislative proposals is unclear as of the date of this Information Memorandum and new or amended elements may be introduced through the course of the legislative process. Furthermore, with respect to (i) above, the directive will need to be implemented in each of the Member States, and the way it will be implemented may vary depending on the relevant Member State.

On 18 April 2023, the European Commission adopted the CMDI Proposal, which enables 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 harmonises the standards of depositor protection across the European Union and further extends the new framework of depositor protection to public entities. Furthermore, the proposal harmonises the protection of temporary high balances on bank accounts in excess of EUR 100,000 linked to specific life events. In particular, 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 (covered deposits and deposit guarantee schemes' claims, non-covered deposits of households and small and medium enterprises and other non-covered deposits). As of the date of this Information Memorandum, the CMDI Proposal is subject to further discussion by the European Parliament and the Council and there is a high degree of uncertainty with regards to the proposed adjustments and when they will be finally implemented in the European Union.

### ***Capital Requirements***

Credit institutions, such as the Issuer, are required, on a standalone and consolidated basis, to hold a minimum amount of regulatory capital of 8% of risk weighted assets (of which at least 4.5% must be CET1 capital and at least 6% must be Tier 1 Capital). In addition to the minimum regulatory capital requirements, the CRD IV also introduced five capital buffer requirements that must be met with CET1 capital: (1) the capital conservation buffer for unexpected losses, requiring additional CET1 up to 2.5% of total risk weighted assets; (2) the institution-specific counter-cyclical capital buffer (consisting of the weighted average of the counter-cyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located), which may 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 global systemically important institutions ("G-SIIs") buffer requiring additional CET1 which shall be no less 1% of risk weighted assets; (4) the other systemically important institutions buffer, which may be as much as 3% of risk weighted assets; and (5) the CET1 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 counter-cyclical buffer and the higher of (depending on the institution) the systemic risk buffer, the G-SIIs buffer and the other systemically important institutions ("O-SII") buffer, in each case as applicable to the institution).

In particular:

- (a) The Bank of Spain has not required the Issuer to maintain the systemic risk buffer.
- (b) The G-SIIs buffer applies to those institutions included in the list of global systemically important banks, which is updated annually by the Financial Stability Board (the "FSB"). The Issuer has not

been classified as a G-SII 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, it will not be required to maintain the G-SII buffer.

- (c) Likewise, the domestic systemically important institutions (“**D-SII**”) buffer applies to those institutions deemed to be of local systemic importance, domestic systemically important banks; the Issuer has not been considered a D-SII during 2022 and, thus, the Issuer will not be required to maintain a D-SII buffer during 2023.<sup>10</sup>
- (d) The percentages of the institution-specific countercyclical buffer (“**CCB**”) are revised each quarter. The Bank of Spain agreed on 31 March 2023 to maintain the institution-specific CCB applicable to credit exposures in Spain at 0% for the second quarter of 2023 in light of the current macro-financial environment and lending and real estate market developments. However, it is worth mentioning that the institution-specific CCB rate is calculated as the weighted average of the CCB rates that apply in those countries where the relevant credit exposures of the Issuer are located.<sup>11</sup>

Moreover, Article 104 of the CRD IV, as implemented in Spain by Article 68 of Law 10/2014 and as amended by RDL 7/2021 and similarly Article 16 of the SSM Regulation also contemplate that in addition to the minimum Pillar 1 capital requirements and any applicable capital buffer, supervisory authorities may impose further Pillar 2 capital requirements to cover other risks, including those risks incurred by the individual institutions due to their activities not considered to be fully captured by the minimum capital requirements under the CRD and CRR regime, 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 additional capital requirements on the Issuer and/or the Consumer Group pursuant to this Pillar 2 framework.

In addition, in accordance with Article 104b of CRD Directive, as implemented in Spain by Articles 69 and 69 bis of Law 10/2014, the specific "Pillar 2" capital will consist of two parts: "Pillar 2" requirements ("**P2R**"), which are binding and a breach of which can have direct legal consequences for banks, and "Pillar 2" Guidance ("**P2G**"). According to Article 43.3.c) of Law 10/2014 banks shall meet at all times the P2G with CET1 capital on top of the level of binding capital (minimum and additional) requirements ("Pillar 1" capital requirements, P2R and the "combined buffer requirements"). If a bank does not meet its P2G, this will not result in automatic action of the supervisor and will not be used to determine the Maximum Distributable Amount (as defined below) trigger, but Article 69.1.e) of Law 10/2014 provides that when an institution repeatedly fails to meet the P2G it will trigger, where appropriate, the imposition of additional own funds requirements. The ECB recommends not to disclose the P2G and the CRD Directive also does not require its disclosure.

Although CRR and CRD Directive 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 April 16, 2014, on market abuse.

The EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of its SREP, as revised on 18 March 2022 with the aim of implementing the amendments to the CRD V Directive and CRR II and promoting convergence towards best supervisory practices (the “**EBA SREP Guidelines**”). Included in this were the EBA’s proposed guidelines for a common approach to determining the amount and composition of additional Pillar 2 capital requirements implemented on 1 January 2016. Under these guidelines, national supervisors must set a composition requirement for the Pillar 2 additional capital requirements to cover certain specified risks of at least 56% CET1 capital and at least 75% Tier 1 Capital.

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<sup>10</sup> For more information, please visit:  
[https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/22/presbe2022\\_64en.pdf](https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/22/presbe2022_64en.pdf)

<sup>11</sup> For more information, please visit:  
<https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/23/presbe2023-25en.pdf>

Under article 104(a) of CRD V Directive (implemented into Spanish law by Article 94.6 of Royal Decree 84/2015), EU banks are now allowed to meet P2R with these minimum proportions of CET1 capital and Tier 1 capital.

The EBA SREP Guidelines also contemplate that national supervisors should not set additional capital requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements; and, accordingly, the above “combined buffer requirement” is in addition to the Pillar 1 and Pillar 2 capital requirements. Therefore capital buffers would be the first layer of capital to be eroded pursuant to the applicable stacking order, as set out in the “Opinion of the EBA on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions” published on 16 December 2015. In this regard, under Article 141 of the CRD IV, Member States of the EU must require that an institution that fails to meet the “combined buffer requirement” be prohibited from paying any “**Discretionary Payments**” (which are defined broadly by the CRD IV as payments relating to CET1, variable remuneration and discretionary pension benefits and distributions relating to Additional Tier 1 capital Notes), until it calculates its applicable restrictions and communicates them to the regulator. Thereafter, any such discretionary payments shall be subject to such restrictions. The restrictions shall be scaled according to the extent of the breach of the “combined buffer requirement” and calculated as a percentage of the profits of the institution since the last distribution of profits or “discretionary payment”. Such calculation shall result in a “**Maximum Distributable Amount**” in each relevant period. As an example, the scaling is such that in the bottom quartile of the “combined buffer requirement”, no “discretionary distributions” will be permitted to be paid. Articles 43 to 49 of Law 10/2014 and Chapter II of Title II of Royal Decree 84/2015 implement the above provisions in Spain. In particular, Article 48 of Law 10/2014 and Articles 73 and 74 of Royal Decree 84/2014 deal with restrictions on distributions. Furthermore, pursuant to article 16bis of Law 11/2015 and article 48ter of Law 10/2014, the calculation of the Maximum Distributable Amount, as well as consequences of, and pending, such calculation could also take place as a result of the breach of MREL and a breach of the minimum leverage ratio buffer requirement.

CRD V further clarifies that P2R should be positioned in the relevant stacking order of own funds requirements above the Pillar 1 capital requirements and below the "combined buffer requirement" or the leverage ratio buffer requirement, as applicable. In addition, CRD V also clarifies that P2R should be set in relation to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those reflecting the impact of certain economic and market developments on the risk profile of an individual institution). Under Article 104(a) of CRD V (implemented into Spanish law by Article 94.6 of Royal Decree 84/2015), EU banks are now allowed to meet P2R with these minimum proportions of CET1 capital and Tier 1 Capital.

In connection with this, the Issuer was informed by the ECB on 16 December 2019 of its decision regarding prudential minimum capital requirements as of 1 January 2020, following the results of SREP (the “**2019 SREP Decision**”). The 2019 SREP Decision required the Issuer to maintain a CET1 capital ratio of at least 7.9% on a consolidated basis. This 7.9% CET1 capital requirement includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2 requirement (0.84%); the capital conservation buffer (2.5%); and the counter-cyclical buffer (around 0.05%).

The Issuer was informed by the ECB on December 2022 of its decision regarding prudential minimum capital requirements (which are the same requirements as in 2022).

As of the date of this Information Memorandum, the CET1 applicable capital requirement is of at least 7.89% on a consolidated basis, which includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2 requirement (0.84%); the capital conservation buffer (2.5%); and the counter-cyclical buffer currently applicable (0.05%).

As of March 2023, the Issuer’s total capital ratio was 16.44% on a consolidated basis (fully loaded) and the Issuer’s CET1 capital ratio was 12.00% on a consolidated basis (fully loaded) (data calculated without using the IFRS 9 transitional arrangements, since the Issuer incorporated the full day-1 impact on IFRS9 adoption).

In addition to the above, the CRR also contains a binding 3% Tier 1 leverage ratio (“**LR**”) requirement, and which institutions must meet in addition and separately to their risk-based requirements.

Moreover, Article 92.1a of CRR includes a leverage ratio buffer for G-SIIs to be met with Tier 1 capital and set at 50% of the applicable risk weighted G-SIIs buffer and that is in force since 1 January 2023. Pursuant to Article 141b of the CRD Directive and Article 48ter of Law 10/2014, G-SIIs shall be also obliged to determine their Maximum Distributable Amount and restrict Discretionary Payments where they do not meet the leverage ratio buffer requirement under Article 92.1a of CRR.

### ***MREL requirements***

Under article 92a of CRR, institutions such as the Issuer that are identified as resolution entities and are G-SII shall satisfy the following requirements for own funds and eligible liabilities: (a) 18% of risk weighted assets, and (b) 6.75% of its leverage ratio exposure (the Pillar 1 TLAC/MREL Requirements for G-SIIs). On top of that, Article 45 of BRRD provides that Member States shall ensure that institutions meet, at all times, a minimum MREL requirement (the “**TLAC/MREL Requirements**”). The EU Banking Reforms integrate the internationally agreed standard on total loss absorbing capacity (“**TLAC**”) into the existing MREL rules and to ensure that both requirements are met with the largely similar Instruments, with the exception of the subordination requirement, which will be partially institution-specific and determined by the resolution authority. Therefore, resolution entities and, potentially, subsidiaries which are credit institutions but not resolution entities themselves could be subject to an institution-specific TLAC/MREL Requirement, which may be higher than the Pillar 1 TLAC/MREL Requirements for G-SIIs.

According to Article 16.a) of the BRRD, any failure by an institution to meet the “combined buffer requirement” when considered in addition to the applicable minimum TLAC/MREL Requirements is intended to be treated in a similar manner as a failure to meet the “combined buffer requirement” on top of its minimum regulatory capital requirements (i.e. a resolution authority will have the power to impose restrictions or prohibitions on discretionary payments by the Issuer). The referred Article 16.a) of the BRRD includes a potential nine-month grace period whereby the resolution authority will assess on a monthly basis whether to exercise its powers, after such nine-month period the resolution authority is compelled to exercise its power to restrict discretionary payments (subject to certain limited exceptions). These restrictions have been implemented in Spain by means of Article 16bis of Law 11/2015.

In addition, the Issuer received on 18 May 2022 a formal notification from the Bank of Spain of its binding minimum requirement for own funds and eligible liabilities (“**MREL**”) for the Issuer at a subconsolidated level, as determined by the Single Resolution Board (“**SRB**”). This MREL requirement has been set at 20.13% of total risk exposure amount (“**TREA**”) and 5.91% of leverage ratio requirement (“**LRE**”), that shall be met all times from 1 January 2024 onwards. Alongside the MREL requirement, Bank of Spain informed of the binding intermediate target applicable as of 1 January 2022 onwards, which is set at 19.47% of TREA and 5.91% of LRE. In addition, it should be noted that CET1 used to meet MREL-TREA cannot be used to meet the CBR (Article 128 CRDV). CBR is the Combined Buffer Requirement (CCB, CCyB and systemic buffers).

The Issuer is part of the resolution group headed by Banco Santander, which is the resolution entity of the resolution group to which the Issuer belongs.

Institutions that are subsidiaries of a resolution entity and that are not themselves resolution entities are required to hold sufficient amounts of internal MREL, being eligible debt instruments within the group that would be issued or subscribed for internally, in a sufficient amount to sustain the resolution strategy. There may therefore also be a requirement for internal MREL to be issued from the Issuer, as the subsidiary of a resolution entity, within the group and up ultimately to Banco Santander, the resolution entity.

Additionally, the Basel Committee is currently in the process of reviewing and issuing recommendations in relation to risk asset weightings which may lead to increased regulatory scrutiny of risk asset weightings in the jurisdictions who are members of the Basel Committee.

### **Deposit Guarantee Fund (“DGF”) and Single Resolution Fund (“SRF”)**

The Consumer Group belongs to the DGF, which is aimed at guaranteeing the return of guaranteed deposits when the depository institution has been declared bankrupt (*concurso de acreedores*) or when deposits are not returned, provided an agreement has not been reached to commence a resolution process of the institution up to the limit contemplated in Royal Decree-Law 16/2011, of 14 October 2011, creating the Deposit Guarantee Fund for Credit Institutions. The standard annual contribution to be made by institutions to the fund is determined by the DGF Management Committee, pursuant to the provisions of Bank of Spain Circular 5/2016 of 27 May on the calculation method to ensure that the contributions by member institutions of the Deposit Guarantee Fund are proportional to their risk profile, as amended by Circular 1/2018 of 31 January 2018.

In addition, in March 2014, the European Parliament and the Council reached a political agreement on the creation of the second pillar of the banking union, the SRM. The main objective of the SRM is to ensure that all possible bankruptcies that occur in the future in the banking union are managed efficiently, at a minimum cost to taxpayers and the actual economy. The SRM's scope of activity is identical to that of the SSM, being a central authority.

The regulations governing the banking union are aimed at ensuring that the banks and their shareholders (primarily) and, if required, the bank's creditors (partly), are those that finance resolutions. Nevertheless, another source of finance must also be available, if the contributions by shareholders and bank creditors are insufficient. This is the SRF, administered by the SRB, which is the ultimate entity responsible for deciding whether or not the resolution of the bank should be initiated, while the operating decisions are made in conjunction with the national resolution authorities. The regulations establish that banks must contribute to the SRF for eight years.

The SRB calculates the contributions to be made by each entity to the SRF, in accordance with the provisions of Regulation (EU) 806/2014 of the European Parliament and of the Council of 15 July 2014. The calculation is based on:

- (a) contributions that are calculated in proportion to the individual entity's liabilities, excluding net worth and guaranteed deposits, with respect to the total liabilities minus net worth and guaranteed deposits of all the authorised entities in the participating Member States («annual base contribution»); and
- (b) contributions that are calculated according to the entity's risk profile («risk-adjusted contribution»).

The expense accounted for in financial years 2022 and 2021 for contributions by the Issuer to the DGF and the SRF amounted to €31.02 million (€38.1 million in 2021) and €451 thousand (€535 thousand in 2021), respectively.

#### **Non-performing exposures (“NPEs”)**

On 15 March 2018, the ECB published its supervisory expectations on prudent levels of provision for non-performing loans (“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, which clarified the ECB's supervisory expectations with regard to the identification, measurement, management and write-off of NPLs. The ECB states that the Addendum sets out what it considers to be prudential provisioning of non-performing exposures, in order to avoid an excessive build-up of non-covered aged NPLs on banks' balance sheets in the future, which would require specific supervisory measures.

In this respect, 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 further revised its supervisory expectations for prudential provisioning of new NPEs taking into account the adoption of the new Regulation (EU) 2019/630, which outlines the Pillar 1 treatment for NPEs, complements existing prudential rules and requires a deduction from own funds when NPEs are not sufficiently covered by provisions or other adjustments.

#### **Loss absorbing powers by the Relevant Resolution Authority**

The BRRD (which has been implemented in Spain through Law 11/2015 and Royal Decree 1012/2015) is designed to provide authorities with tools to intervene sufficiently early and quickly in unsound or failing institutions 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.

See “*Risk Factors – General risks relating to the Notes – Risks related to early intervention and resolution - Law 11/2015 enables a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under Law 11/2015 could materially affect the value of any debt securities*” for additional information.

#### **Digital Service Tax in Spain**

On 15 October 2020, Spain enacted the Law 4/2020 that introduced a new tax on certain digital services. This law entered into force on 16 January 2021. The Digital Services Tax (“**DST**”) is an indirect tax applicable to the provision of certain digital services when users are located in Spain (online advertising services targeted at users, online intermediary services and data transmissions) at a rate of 3% over gross income. Companies will be subject to the tax if (i) net turnover is over EUR 750 million (globally), and (ii)

total revenues from taxable digital services in Spain are over EUR 3 million. The Preamble of the Law states the provisional nature of the DST until an international consensus on the taxation of digital business models is reached.

The above measure which has the aim to tax the digital economy could have a material adverse effect on digital groups' business, prospects, financial conditions and results of operations.

However, consideration should be given to the fact that in the context of achieving a common taxation system in the OECD territories, some countries such as Austria, France, Italy, Spain and the United Kingdom agreed on 8 October 2021, as part of Pillar 1 measures, to withdraw all unilateral measures adopted (such as the Spanish Digital Service Tax) and refrain from imposing new unilateral measures. Hence, the withdrawal of these kind of taxes should be carefully monitored.

## **PSD2**

Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (the "**PSD2 Directive**") has been fully transposed into Spanish law, which took place after the deadline for PSD2 transposition (13 January 2018); notwithstanding the additional transitional period until 31 December 2020 in relation to the requirements on security measures (mainly due to their potential negative impact on electronic commerce) by means of Royal Decree-Law 19/2018 of 23 November 2018 on payment services and other urgent measures in financial matters, Royal Decree 736/2019 of 20 December 2019 on the legal regime for payment services and payment institutions and Order ECE/1263/2019 of 26 December 2019 on transparency of conditions and information requirements applicable to payment services. The PSD2 Directive essentially regulates (a) transparency conditions and (b) the rights and obligations in contracts between payment service providers and users, applying its regime to the objective scope of payment services provided by credit institutions, payment service entities and electronic money institutions. In addition, it provides for a set of precautionary measures (prohibition of surcharges for the use of payment Notes at commercial establishments or online, unconditional right to the return for direct debits in euros, reduction of liability for unauthorised payments), security requirements (protection of consumer financial data and enhanced security requirements for electronic payments).

In particular, the new payment services introduced by PSD2 feature the services of (a) payment initiation; and (b) account information. Both services involve access by third parties (suppliers to third parties) to payment service users' accounts held with credit institutions. This means the opening up of the payment market to these new competitors ("**third-party providers**"), who can operate directly through the payment service user's account at their credit institution, without having to open an account themselves to operate. This PSD2 Directive regime and the operational and technological efforts made to adapt it, together with the introduction of the so-called "open banking", will have a substantial impact on the business model for payment services offered by credit institutions, by allowing third parties not related to credit institutions to access their infrastructure, for the purposes of obtaining account information and initiating payment services with bank customers/potential new users of third-party payment services, subject to specific limitations under Articles 66, 67 et seq. In essence, this leads to an increase in the regulatory cost of adaptation of credit institutions, a strengthening of their technological systems for operational and integration purposes and an intensification of competition in the payment services sector, represented mainly by non-credit institution providers subject to a less onerous regulatory regime or, directly, not subject to a prudential supervision regime.

### ***Temporary Banking Tax in Spain***

On 29 December 2022, Law 38/2022 for the establishment of temporary levies on energy and credit institutions and the creation of the temporary solidarity tax for high-net-worth individuals (*Ley 38/2022, de 27 de diciembre, para el establecimiento de gravámenes temporales energético y de entidades de crédito y establecimientos financieros de crédito y por la que se crea el impuesto temporal de solidaridad de las grandes fortunas, y se modifican determinadas normas tributarias*) entered into force. This law creates a temporary levy 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). This bank levy will apply during the years 2023 and 2024 (unless the Spanish Government decides to extend the application of this levy) and taxes, at a rate of 4.8%, the sum of the net interest income and commission income and expenses derived from the activity carried out in Spain. Amounts payable for the proposed are not tax deductible in the taxable base for the purposes of the Corporate Income Tax (Impuesto sobre Sociedades). Moreover, the law expressly prohibits the direct or indirect pass-through of payments of the levy and failure to comply with this obligation would result in sanctions to the corresponding credit institution in the amount of 150% of the amount passed through.



### **New accounting framework**

The Bank of Spain Circular 4/2017, of 27 November 2017, to credit institutions on public and confidential financial reporting rules and standard financial statements ("**Circular 4/2017**"), which repealed the former Bank of Spain Circular 4/2004 of 22 December 2004, after successive amendments, adapts the accounting system of Spanish credit institutions to the changes resulting from the adoption of International Financial Reporting Standards (IFRS) - IFRS 9 and IFRS 15, applicable as from 1 January 2018, in relation to the accounting criteria applicable to financial instruments and ordinary revenue.

Annex IX of Circular 4/2017 ("**Annex IX**") develops the general framework for credit risk management in accounting terms, essentially maintaining the amendments introduced by Circular 4/2016, of 27 April 2016 and mainly regulates the policies for the granting, modifying, evaluating, monitoring and controlling of transactions, which include their accounting and the estimation of credit risk loss hedging. In addition, a generally stricter regime is introduced for revaluation, mainly with respect to the general procedures of valuation and monitoring of real estate collateral and the valuation of properties used as collateral for mortgage loans (supplemented by the application of automatic methods to obtain Automated Valuation Model valuations and specific criteria applicable to valuations performed by valuation companies, with strict requirements).

Adaptation to the accounting criteria of IFRS 9 and IFRS 15 since 2018 has had a substantial influence on the accounting plans of credit institutions, mainly due to the effects of the impairment of financial assets, which are subject to new classification criteria and the move from the "incurred losses" model to the "expected credit losses" model, applicable to financial assets measured at amortised cost and to financial assets valued at fair value, with changes in other overall results. This has had a significant impact on credit institutions' provisioning models, leading to accounting adjustments/reduced reserves, in addition to the major regulatory costs that credit institutions had to bear in 2018.

### ***Data privacy and cybersecurity***

The Consumer Group receives, maintains, transmits, stores and otherwise processes proprietary, sensitive and confidential data, including public and non-public personal information of its customers, employees, counterparties and other third parties, including, but not limited to, personally identifiable information and personal financial information. The collection, sharing, use, retention, disclosure, protection, transfer and other processing of this information is governed by stringent federal, state, local and foreign laws, rules and regulations, and the regulatory framework for data privacy and cybersecurity is in considerable flux and evolving rapidly. As data privacy and cybersecurity risks for banking organisations and the broader financial system have significantly increased in recent years, data privacy and cybersecurity issues have become the subject of increasing legislative and regulatory focus.

Internationally, virtually every jurisdiction in which the Consumer Group operates has established its own data privacy and cybersecurity legal framework with which the Consumer Group must comply. For example, on 25 May 2018, the Regulation (EU) 2016/279 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**General Data Protection Regulation**" or "**GDPR**") became directly applicable in all Member States of the EU. To align the Spanish legal regime with the GDPR, Spain has enacted the Organic Law 3/2018, of 5 December, on Data Protection and the safeguarding of digital rights which has repealed the Spanish Organic Law 15/1999, of 13 December, on data protection. Additionally, following the UK's withdrawal from the EU, the Consumer Group is also subject to the UK General Data Protection Regulation ("**UK GDPR**").

Although a number of basic existing principles have remained the same, the GDPR and the UK GDPR introduced extensive new obligations on both data controllers and processors, as well as rights for data subjects.

The GDPR and UK GDPR, together with national legislation, regulations and guidelines of the EU Member States governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR and UK GDPR include obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, the transfer of personal data out of the EEA, security breach notifications and the security and confidentiality of personal data. The GDPR and UK GDPR also impose significant fines and penalties for non-compliance of up to the higher of 4% of annual worldwide turnover or €20 million (or £17.5 million under the UK GDPR), whichever is greater. While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK GDPR will not automatically incorporate changes to the GDPR going forward (which would need to be specifically incorporated by the UK

government). Moreover, the UK government has publicly announced plans to reform the UK GDPR in ways that, if formalised, are likely to deviate from the GDPR, all of which creates a risk of divergent parallel regimes and related uncertainty, along with the potential for increased compliance costs and risks for affected businesses.

The implementation of the GDPR, UK GDPR and other data protection regimes has required substantial amendments to the procedures and policies of the Consumer Group. The changes have impacted, and could further adversely impact, its business by increasing its operational and compliance costs. The Consumer Group expects the number of jurisdictions adopting their own data privacy and cybersecurity laws to increase, which will likely require the Consumer Group to devote additional significant operational resources for its compliance efforts and incur additional significant expenses. It is also likely to increase its exposure to risk of claims that the Consumer Group has not complied with all applicable data privacy and cybersecurity laws, rules and regulations.

Recent legal developments in the EEA, including recent rulings from the Court of Justice of the European Union and from various EU Member State data protection authorities, have created complexity and uncertainty regarding transfers of personal data from the EEA to the United States and other so-called third countries outside the EEA. While the European Commission announced in March 2022 that an agreement in principle had been reached between EU and US authorities regarding a new transatlantic data privacy framework, no formal agreement has been finalised, and any such agreement, if formalised, is likely to face challenge at the CJEU. Similar complexities and uncertainties also apply to transfers from the UK to third countries. While the Consumer Group has taken steps to mitigate the impact of such complexities and uncertainties, such as implementing the supplementary measures applicable in accordance with the regulatory risk of the country of destination of the personal data, the efficacy and longevity of these mechanisms remains uncertain.

Data privacy and cybersecurity laws, rules and regulations continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions. The Consumer Group may become subject to new legislation or regulations concerning data privacy or cybersecurity, which could require to incur significant additional costs and expenses in an effort to comply. The Consumer Group could also be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified or interpreted such that the Consumer Group is required to alter its systems or require changes to its business practices, processes or privacy policies. If cybersecurity, data privacy, data protection, data transfer or data retention laws, rules or regulations are implemented, interpreted or applied in a manner inconsistent with the Consumer Group's current practices or policies, or if it fails to comply (or is perceived to have failed to comply) with applicable laws, rules and regulations relating to data privacy and cybersecurity, the Consumer Group may be subject to substantial fines, civil or criminal penalties, costly litigation (including class actions), claims, proceedings, judgments, awards, penalties, sanctions, regulatory enforcement actions, government investigations or inquiries, or other adverse impacts, or be ordered to change its business practices, policies or systems in a manner that adversely impacts the Consumer Group's operating results, any of which could have a material adverse effect on its business.

### **Insolvency Law**

Certain provisions in the Insolvency Law may negatively affect Holders of Notes in general. Among other things, the Insolvency Law provides that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days), (ii) provisions in a bilateral contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) accrual of unsecured interest (whether ordinary or default interest) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date shall become subordinated. In the case of secured ordinary interests, (i) these shall be deemed as specially privileged, and (ii) interests shall keep accruing after the declaration of insolvency up to the limit of the secured amount, and only if a contingent credit for secured ordinary interests that may accrue after the declaration of insolvency is included in the statement of claim to be sent to the insolvency administrator (as per the Supreme Court judgement dated 20 February 2019). In the case of secured default interests, (i) these shall be deemed as specially privileged, and (ii) these shall not accrue after the declaration of insolvency, in accordance with the Spanish Supreme Court judgement dated 11 April 2019 and article 152 of the Insolvency Law. Any payments of interest in respect of debt securities will be subject to the subordination provisions of Article 281.1.3° of the Insolvency Law.

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 (the “**Directive on restructuring and insolvency**”) has been implemented in Spain by Law 16/2022, of 5 September (the “**Insolvency Law Reform**”). The rules governing pre-insolvency restructurings have been substantially amended by the Insolvency Law Reform and are now grouped under an out-of court procedure named *preconcurso* in the amended Insolvency Law. The pre-insolvency rules are designed to facilitate the debt restructuring of debtors in financial difficulties and avoid the filing for insolvency by achieving a debt restructuring plan (*plan de reestructuración*).

## TAXATION

*The following is a general description of certain tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. In particular, this tax section does not address the Spanish tax consequences applicable to “look-through” entities (such as trusts or estates) that may be subject to the tax regime applicable to such non-Spanish entities under the Spanish Non-Resident Income Tax (“NRIT”) rules and regulations, to individuals who acquire the Notes by reason of employment or to pension funds or collective investment in transferrable securities (UCITS). Prospective investors who are in any doubt as to their position should consult with their own professional advisers.*

*This summary is based on Spanish tax law, along with any administrative pronouncements, judicial decisions, all as of the date hereof, changes to any of which may affect the tax consequences described herein, possibly with retroactive effect.*

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

### ***The proposed financial transactions tax (“FTT” or “Financial Transaction Tax”)***

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

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, Financial Transactions Tax could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the Financial Transactions Tax proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which, remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the Financial Transactions Tax.

### **Spanish FTT**

In the case of Spain, before a consensus was reached by the Participating Member States, the Spanish Parliament has approved Law 5/2020 of 15 October, on the FTT (*Ley del Impuesto sobre las Transacciones Financieras*) which entered into force on 16 January 2021.

The Spanish FTT applies on specific acquisitions of listed shares (including transfer or conversion) issued by Spanish companies with a market capitalisation of more than €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction, at a tax rate of 0.2%. In principle, the Spanish FTT does not affect transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives.

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

Prospective holders of Notes are advised to seek their own professional advice in relation to the Financial Transactions Tax.

## **Taxation in Spain**

### **1. Introduction**

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

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June, on regulation, supervision and solvency of credit entities and Royal Decree 1065/2007, of 27 July, as amended, 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, and Royal Decree-Law 20/2011, of 30 December, on urgent measures on budget, tax and finance matters for the correction of the public deficit;
- (b) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax ("PIT"), Law 35/2006, of 28 November, on the PIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law as amended by Law 26/2014, of 27 November, Royal Decree 439/2007, of 30 March, promulgating the PIT Regulations, along with Law 29/1987, of 18 December, on the Inheritance and Gift Tax, and Law 38/2022, of 27 December, 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, of the CIT Law, and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations; 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 by Law 26/2014, of 27 November, Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, along with Law 29/1987, of 18 December, on the Inheritance and Gift Tax, and Law 38/2022, of 27 December, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, as amended.

Whatever the nature and residence of the Beneficial Owner (as defined in the Notes), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, in particular, exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December, regulating such tax.

### **2. Individuals with Tax Residency in Spain**

#### **(a) Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)**

Both interest payments periodically received and income derived from the transfer, redemption or repayment of the Notes obtained by individuals who are resident in Spain constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the PIT Law, and therefore must be included in the investor's PIT savings taxable base pursuant to the provisions of the aforementioned law, and taxed according to the then-applicable rate. The savings

taxable base will be taxed at the rate of 19% for taxable income up to €6,000.00, 21% for taxable income between €6,000.01 and €50,000.00, 23% for taxable income between €50,000.01 and €200,000.00, 27% for taxable income between €200,000.01 and €300,000, and 28% for taxable income in excess of €300,000.

Income from the transfer of the Notes shall generally be computed as the difference between the amounts obtained in the transfer, redemption or reimbursement of the Notes and their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and/or disposal of the Notes shall be taken into account, insofar as adequately evidenced, in calculating the income.

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

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

According to Section 44.5 of Royal Decree 1065/2007, of 27 July, as amended, and in the opinion of the Issuer, the Issuer will pay interest without withholding to individual Beneficial Owners who are resident for tax purposes in Spain **provided that** the information about the Notes required by Exhibit 1 is submitted, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities. In addition, income obtained upon transfer, redemption or exchange of the Notes may also be paid without withholding.

However, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depository or custodian, payments of interest under the Notes may be subject to withholding tax at the current rate of 19% which would be made by the depository or custodian.

Withheld amounts may be credited against individuals' final PIT liability.

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

Individuals with tax residency in Spain would be subject to Net Wealth Tax to the extent that their net worth exceeds a certain limit. This limit has been set at EUR 700,000 which may vary in each of the autonomous communities. Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2% and 3.5%. The autonomous communities may have different provisions on 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, applies, 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 Navarre, 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 Navarre.

The rates of the "Solidarity Tax" are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000.01 and €10,000,000, and (iii) 3.5% on a net worth of more than €10,000,000. 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.

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

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

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 7.65% and 34%. Relevant factors applied (such as previous net wealth, family relationship among transferor and transferee or applicable tax laws approved by autonomous communities) do determine the final effective tax rate that currently may range between 0% and 81.6%.

3. **Legal Entities with Tax Residency in Spain**

(a) **Corporate Income Tax (*Impuesto sobre Sociedades*)**

Both interest received periodically and income derived from the transfer, redemption or repayment of the Notes are subject to CIT in accordance with the rules for this tax. The current general tax rate of 25%, however, does not apply to all corporate income tax payers and, for instance, does not apply to banking institutions, which would be subject to a tax rate of 30%.

In accordance with Section 44.5 of Royal Decree 1065/2007, of 27 July as amended, and in the opinion of the Issuer, there is no obligation to withhold on income derived from the redemption and repayment of the Notes and interest payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold tax on interest payments to Spanish CIT taxpayers provided that the information about the Notes required by Exhibit 1 is submitted, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities.

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the current rate of 19%, withholding that would be made by the depositary or custodian, if the Notes do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made therefore, the exemption of withholding as regards income obtained by Spanish resident corporate investors from financial assets listed on an official OECD market, contained in Section 61(s) of the CIT regulations, is not applicable.

Withheld amounts may be credited against Beneficial Owners' final CIT liability.

(b) **Net 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.

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

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

4. **Individuals and Legal Entities with no Tax Residency in Spain**

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

(i) *Non-Spanish resident investors acting through a permanent establishment in Spain*

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers.

See “*Taxation in Spain—Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*”.

(ii) *With no permanent establishment in Spain*

Both interest payments received periodically and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner detailed under “—Information about the Notes in Connection with Payments” as laid down in section 44 of Royal Decree 1065/2007, as amended (“**Section 44**”). If these information obligations are not complied with in the manner indicated, the Issuer will withhold 19% and the Issuer will not pay additional amounts.

Beneficial Owners not resident in Spain for tax purposes and entitled to exemption from NRIT but where the Issuer does not timely receive the information about the Notes in accordance with the procedure described in detail under “—Information about the Notes in Connection with Payments” would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non Resident Income Tax Law.

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

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

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

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, applies, 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 Navarre, 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 Navarre.

The rates of the “Solidarity Tax” are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000.01 and €10,000,000, and (iii) 3.5% on a net worth of more than €10,000,000. 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.

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

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



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

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over Notes by inheritance gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish legislation. As such, prospective investors should consult their tax advisers.

However, the deceased, heir or the donee that are not resident in Spain, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the Holder.

5. **Foreign Account Tax Compliance Act (“FATCA”)**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments before the date that is two years after the publication of the final regulations defining “foreign passthru payment” and Notes that have a fixed term and are not treated as equity for U.S. federal income tax purposes, issued on or prior to the date that is six (6) months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding on foreign passthru payments unless materially modified after such date. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Prospective purchasers should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

6. **Tax Rules for Notes not Listed on Organised Market in an OECD Country**

6.1 ***Withholding on Account of PIT, CIT and NRIT***

If the Notes are not listed on a multilateral trading facility, regulated market or any other organised market in an OECD country on any Payment Date, payments to Beneficial Owners in respect of the Notes will be subject to withholding tax at the current rate of 19% except in the case of Beneficial Owners which are: (a) resident in a Member State of the European Union other than Spain or in a member state of the EEA (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, and obtain the interest income either directly or through a permanent establishment located in another Member State of the European Union or in a member state of the EEA (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, provided that such Beneficial Owners (i) do not obtain the

interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a non-cooperative jurisdiction (as defined by the Law 36/2006, of 29 November, on prevention measures and actions against tax fraud, as amended through Law 11/2021, of 9 July, and as amended) or (b) resident for tax purposes of a country which has entered into a convention for the avoidance of double taxation with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Beneficial Owners or (c) Spanish financial entities which comply with the requirements established in Article 61.c) or Spanish securitization funds which comply with the requirements established in Article 61.k) of CIT Regulations or non-Spanish financial entities acting through a Spanish branch as referred to in the second paragraph of Article 8.1 of the NRIT Regulations; and in both (a) and (b) cases, the Beneficial Owner provides the Issuer with a valid and in-force certificate of tax residency duly issued by the tax authorities of its country of residency, and in (b) case, such tax residence certificate must be issued within the meaning of the relevant double tax treaty, before any payment is made or due (whichever occurs first). For these purposes, the certificate of tax residency shall be issued within one year as of the date of payment or if it refers to a specific period, it will only be valid for that period.

## 6.2 *Net Wealth Tax (Impuesto sobre el Patrimonio)*

See “*Taxation-Taxation in Spain-Individuals with Tax Residency in Spain — Net Wealth Tax (Impuesto sobre el Patrimonio)*” and “*Taxation- Taxation in Spain – Individuals and legal entities with no tax residency in Spain – Net Wealth Tax (Impuesto sobre el Patrimonio)*”.

## 7. **Information about the Notes in connection with Payments**

As described above, interest and other income paid with respect to the Notes will not be subject to Spanish withholding tax unless the procedures for delivering to the Issuer the information described in Exhibit 1 of this Information Memorandum are not 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, as amended (“**Section 44**”).

In accordance with Section 44 paragraph 5, the following information with respect to the Notes must be submitted to the Issuer before the close of business on the Business Day (as defined in the terms and conditions of the Notes) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each, a “**Payment Date**”) is due, the Issuer must receive from the Issue and Paying Agent the following information about the Notes:

- (a) the identification of the Notes with respect to which the relevant payment is made;
- (b) the date on which the relevant payment is made;
- (c) the total amount of the relevant payment;
- (d) 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 Issue and Paying Agent must certify the information above about the Notes by means of a certificate, the form of which is attached as Exhibit 1 of this Information Memorandum.

In light of the above, the Issuer and the Issue and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will instruct the Issue and Paying Agent to withhold tax at the then-applicable rate (as at the date of this Information Memorandum 19%) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding.

If, before the tenth day of the month following the month in which interest is paid, the Issue and Paying Agent provides such information, the Issuer will instruct the Issue and Paying Agent to immediately transfer the relevant withholding tax (currently, 19%) deducted in respect of the

relevant payment pursuant to the above by way of reimbursement of the amounts withheld on the relevant payment date and completion of the corresponding payment in respect of payments under the Notes. If the Issue and Paying Agent fails or for any reason is unable to provide such information to the Issuer by the tenth day of the month following the month in which interest is paid, the Issue and Paying Agent shall immediately return (but in any event no later than the tenth day of the month immediately following the relevant payment) to the Issuer any remaining amount of the withholding tax (currently, 19%) deducted in respect of the relevant payment, and investors will have to apply directly to the Spanish tax authorities for any refund to which they may be entitled.

Prospective Beneficial Owners should note that none of the Issuer or the Dealers accepts any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, none the Issuer or the Dealers will be liable for any damage or loss suffered by any Beneficial Owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See “*Risk Factors - Risks in relation to the Notes - Taxation*”.

*Set out below is Exhibit 1. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Exhibit 1 and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.*

*Any foreign language text included in this Information Memorandum is for convenience purposes only and does not form part of this Information Memorandum.*

**EXHIBIT 1**

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

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

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

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

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

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

**(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**

(a) Management Entity of the Public Debt Market in book entry form.

**(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

**(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

**(d) Agente de pagos designado por el emisor.**

(d) Issue and Paying Agent appointed by the issuer.

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

Makes the following statement, according to its own records:

**1. En relación con los apartados 3 y 4 del artículo 44:**

1. In relation to paragraphs 3 and 4 of Article 44:

**1.1 Identificación de los valores.....**

1.1 Identification of the securities.....

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

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

**1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados).....**

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

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

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

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

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

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

2. In relation to paragraph 5 of Article 44.

**2.1 Identificación de los valores.....**

2.1 Identification of the securities.....

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **USE OF PROCEEDS**

The net proceeds of the issue of each Series of Notes will be used for the general corporate purposes of the Issuer.

## SUBSCRIPTION AND SALE

### 1. **General**

Each Dealer has represented, and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has, to the best of its knowledge and belief, complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Information Memorandum or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Information Memorandum or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Information Memorandum or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) after the date hereof in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in a supplement to this Information Memorandum.

### 2. **United States of America**

Each Dealer understands that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. Each Dealer represents and agrees that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Terms used above have the meaning given to them by Regulation S. Each Dealer also represents and agrees that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "distribution compliance period"), only in accordance with Rule 903 of Regulation S. Each Dealer agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U. S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Each Dealer also represents and agrees that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used above have the meaning given to them by Regulation S.

### 3. **Prohibition of sales to EEA Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

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



- a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- b) 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.

#### 4. **Prohibition of sales to UK Retail Investors**

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

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

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

#### 5. **Selling Restrictions addressing additional United Kingdom Securities Laws**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a)
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not apply to the Issuer if it was not an authorised person; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

#### 6. **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and, 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, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with,

the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## 7. **Singapore**

Each of the Dealers has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001 (the "SFA"). Accordingly, each of the Dealers has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## 8. **Kingdom of Spain**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes may not be offered, sold or distributed in the Kingdom of Spain, except in circumstances which do not require the registration of a prospectus in the Kingdom of Spain or without complying with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in the Kingdom of Spain in relation to the Notes.

Neither the Notes nor the Information Memorandum have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the

Information Memorandum is not intended for any public offer of the Notes in the Kingdom of Spain.

9. **Republic of France**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors pursuant to Article 2 of Prospectus Regulation, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Information Memorandum, the relevant Final Terms or any other offering material relating to the Notes.

10. **Norway**

In no circumstances may an offer of Notes be made in the Norwegian market without the Notes being registered in the Norwegian Central Securities Depository (*Verdipapirsentralen*) (the “VPS”) in dematerialised form or in another central securities depository which is properly authorised and recognised by the Financial Supervisory Authority of Norway (Nw. Finansilsynet) as being entitled to register the Notes pursuant to Regulation (EU) No 909/2014, to the extent such Notes shall be registered, according to the Norwegian Central Securities Depositories Act (Nw. *Verdipapirsentralloven* 2019) and ancillary regulations.

11. **Kingdom of Sweden**

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, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Notes or distribute this Information Memorandum or any other document in relation to any such offer, invitation or sale in the Kingdom of Sweden, except, in compliance with the laws of the Kingdom of Sweden and only under circumstances where such offer, invitation or sale does not require the publication or registration of an information memorandum in Sweden.

12. **Denmark**

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 and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark unless in compliance with the Danish Consolidated Act No. 931 of 6 September 2019 on Capital Markets as amended and Executive Orders issued thereunder and in compliance with the Executive Order No. 1580 of 17 December 2018 on investor protection in connection with securities trading, issued pursuant to the Danish Consolidated Act No. 937 of 6 September 2019 on Financial Business, all as amended, supplemented or replaced from time to time.

13. **Switzerland**

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (“FinSA”). The Information Memorandum does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

14. **Taiwan**

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 delivered, and will not offer, sell or deliver, at any time, directly or indirectly, any Notes in Taiwan or to a Taiwan person/entity, except where such sale is made in accordance with the laws and regulations of Taiwan.

## GENERAL INFORMATION

### ***Clearing of the Notes***

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and may from time to time be made eligible via other clearing systems. The appropriate common code (if held at Euroclear and Clearstream, Luxembourg) and International Securities Identification Number in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Final Terms relating thereto.

### ***Admission to Listing and Trading***

It is expected that Notes issued under the Programme may be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin after 14 June 2023. The admission of the Notes to trading on the regulated market of Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to listing on the Official List and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Final Terms and any other information required by Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

### ***No Significant or Material change***

Save as set out in this Information Memorandum in sections “*Risk Factors - Macro-Economic and Political Risks*” and “*Risk Factors - Risks Relating to the Issuer and the Consumer Group Business*”, since 31 December 2022 there has been no significant change in the financial position or financial performance of the Issuer and/or the Consumer Group nor any material adverse change in the prospects of the Issuer and/or the Consumer Group.

### ***Litigation***

Save as disclosed in the 2022 Annual Report, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Information Memorandum, a significant effect on the financial position or profitability of the Issuer and its subsidiaries.

### ***Material Contracts***

Save as set out under “*Santander Consumer Finance, S.A. - Recent Developments*” in this Information Memorandum, during the past two years the Issuer has not been a party to any contracts that were not entered into in the ordinary course of business of the Issuer and which was material to the Consumer Group as a whole.

### ***Auditors***

The consolidated annual accounts of the Issuer have been audited without qualification as of and for the years ended 31 December 2022 and 31 December 2021 by the external audit firm PricewaterhouseCoopers Auditores, S.L. of Torre PwC, Paseo de la Castellana, 259-B, Madrid, registered under number S0242 in the Official Register of Auditors (*Registro Oficial de Auditores de Cuentas*) with tax identification number (CIF) B-79 031290, and member of the *Instituto de Censores Jurados de Cuentas de España*, appointed auditor of the Issuer from 1 January 2016.

The audited consolidated annual accounts of the Issuer as of and for each of the years ended 31 December 2022 and 2021 have been filed with the Spanish securities market regulator (*Comisión Nacional del Mercado de Valores*).

### ***Documents on Display***

Electronic or physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issue and Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, at the registered office of the Issuer and at <https://www.santanderconsumer.com> for the life of this Information Memorandum:

1. the *estatutos* (by-laws) of the Issuer;
2. the audited consolidated financial statements of the Issuer for the years ended 31 December 2022 and 2021, incorporated by reference herein;
3. this Information Memorandum, together with any supplements thereto;
4. the Issue and Paying Agency Agreement;
5. the Deed of Covenant; and
6. the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

**REGISTERED OFFICE OF THE ISSUER**

**Santander Consumer Finance, S.A.**

Ciudad Grupo Santander  
Avda.de Cantabria s/n  
28660 Boadilla del Monte  
Madrid  
Spain

**ARRANGER**

**Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
Ireland  
D02 RF29

**DEALERS**

**Banco Santander, S.A.**

Avda. Cantabria S/N – Edif. Encinar  
28660, Boadilla del Monte  
Madrid  
Spain

**Bank of America Europe DAC**

Two Park Place  
Hatch Street  
Dublin 2  
Ireland

**Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
Ireland  
D02 RF29

**BNP Paribas**

20, boulevard des Italiens  
75009 Paris  
France

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Citigroup Global Market Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Commerzbank Aktiengesellschaft**

Kaiserstrasse 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

**Coöperatieve Rabobank U.A.**

Croeselaan18  
3521 CB Utrecht  
The Netherlands

**Crédit Agricole Corporate and Investment  
Bank**

12, Place des Etats-Unis CS 70052  
92547 Montrouge Cedex  
France

**Goldman Sachs Bank Europe SE**

Marieturm, Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

**HPC**

22 Rue des Capucines  
75002 Paris  
France

**ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

**J.P. Morgan SE**  
Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
Germany

**Natixis**  
7 promenade Germaine Sablon  
75013 Paris  
France

**NatWest Markets N.V.**  
Claude Debussylaan 94  
Amsterdam 1082 MD  
The Netherlands

**Skandinaviska Enskilda Banken AB (publ)**  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Sweden

**Société Générale**  
Immeuble Basalte  
17 Cours Valmy  
CS 50318  
92972 Paris La Défense Cedex  
France

**UBS Europe SE**  
Bockenheimer Landstraße 2-4,  
60306 Frankfurt am Main  
Germany

**THE ISSUE AND PAYING AGENT**

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**THE LISTING AGENT**

**Walkers Ireland LLP**  
5th Floor  
The Exchange  
George's Dock  
IFSC  
Dublin 1  
Ireland

**LEGAL ADVISERS**

*To the Issuer as to Spanish law*

*To the Dealers as to English and Spanish law*

**Internal Legal Department**  
Ciudad Grupo Santander  
Edificio Dehesa  
Avda. De Cantabria, s/n  
28660 Boadilla del Monte, Spain

**Allen & Overy**  
C/ Serrano 73  
28006 Madrid  
Spain

**AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers Auditores, S.L.**  
Torre PwC  
Pº de la Castellana 259 B  
28046  
Madrid  
Spain