Program Information

Santander Consumer Finance, S.A.

PROGRAM INFORMATION

Type of Information:	Program Information
Date of Announcement:	25 June 2021
Issuer(s) Name:	Santander Consumer Finance, S.A. (the "**Issuer**")
Name and Title of Representative:	Mr. Álvaro Soler Severino Head of Treasury Mr. Eduardo Aguirre Director DCM / Financial Management
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Type of Securities:	Notes
Scheduled Issuance Period:	27 June 2021 to 26 June 2022
Maximum Outstanding Issuance Amount:	€10,000,000,000 (for this program)
Address of Website for Announcement:	https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html
Status of Submission of Annual Securities Reports or Issuer Filing Information:	None
Name of Lead Manager (for the purpose of this Program Information):	Nomura International plc

Notes to Investors:

1. The TOKYO PRO-BOND Market is a market for professional investors, etc. (*Tokutei Toushika tou*) as defined in Article 2, Paragraph 3, Item 2(b)(2) of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") (the "**Professional Investors, Etc.**"). Notes listed on the market ("**Listed Notes**") may involve high investment risk. Investors should be aware of the listing eligibility and timely disclosure requirements that apply to issuers of Listed Notes on the TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions after having carefully considered the contents of this Program Information.

2. Where this Program Information (a) contains any false statement on important matters, or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading

content, a person who, at the time of announcement of this Program Information, is an officer (meaning an officer stipulated in Article 21, Paragraph 1 of the FIEA (meaning a director (*torishimari-yaku*), accounting advisor (*kaikei-sanyo*), corporate auditor (*kansa-yaku*) or executive officer (*shikkou-yaku*), or a person equivalent to any of these) (each an "**Officer**") of the Issuer) that announced this Program Information shall be liable to compensate persons who acquired the Notes for any damage or loss arising from the false statement or lack of information in accordance with the provisions of Article 21, Paragraph 1, Item 1 of the FIEA applied mutatis mutandis in Article 27-33 of the FIEA and of Article 22 of the FIEA applied mutatis mutandis in Article 27-34 of the FIEA. However, this shall not apply to cases where the person who acquired the Notes was aware of the existence of the false statement or the lack of information at the time of subscription for acquisition of the Notes. Additionally, such Officer shall not be required to assume the liability prescribed above, where he/she proves that he/she was not aware of, and was unable to obtain knowledge of, even with due care, the existence of the false statement or the lack of information.

3. The regulatory framework for the TOKYO PRO-BOND Market is different in fundamental aspects from the general regulatory framework applicable to other exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on Japan Exchange Group, Inc. website.

4. Tokyo Stock Exchange, Inc. ("**Tokyo Stock Exchange**") does not express opinions or issue guarantees, etc. regarding the content of this Program Information (including but not limited to, whether this Program Information (a) contains a false statement or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content) and shall not be liable for any damage or loss.

5. This Program Information is prepared pursuant to Rule 206, Paragraph 2 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of Tokyo Stock Exchange (hereinafter referred to as the "**Special Regulations**") as information prescribed in Article 2, Paragraph 1, Item 1 of the Cabinet Office Ordinance on Provision and Publication of Information on Securities, etc. Accordingly, this Program Information shall constitute Specified Securities Information stipulated in Article 27-31, Paragraph 1 of the FIEA.

6. In this Program Information, all references to "**U.S. $**" or to "**U.S. dollars**" are to United States dollars, references to "**Sterling**" are to pounds sterling, references to "**Renminbi**" and "**CNY**" are to Chinese Yuan Renminbi, the lawful currency of The People's Republic of China ("**PRC**"), and references to "**EUR**", "**euro**" and "**€**" are to the single currency of participating Member States of the European Union.

7. All prospective investors who purchase the Notes shall be required to agree not to sell, transfer or otherwise dispose of the Notes to be held by them to any person other than the Professional Investors, Etc., except for the transfer of the Notes to the following:

   (a) the Issuer or an officer (meaning an officer as prescribed in Article 11-2, Paragraph 2, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the FIEA (MOF Ordinance No. 14 of 1993, as amended, the "**Definitions Cabinet Office Ordinance**") (meaning a director (*torishimari-yaku*), corporate auditor (*kansa-yaku*), executive officer (*shikkou-yaku*), board member (*riji*) or auditor (*kanji*), or a person equivalent to any of these) of the Issuer) who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*Sou Kabunushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (each a "**Specified Officer**" *(Tokutei Yakuin)*), or a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**" (*Hi-Shihai Houjin Tou*)) (as prescribed in Article 11-2, Paragraph 4 of the Definitions Cabinet Office Ordinance) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person(s), Etc. under their own name or another person's name (as prescribed in Article 11-2, Paragraph 3 of the Definitions Cabinet Office Ordinance); or

   (b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

8. When (i) a solicitation of an offer to acquire the Notes or (ii) an offer to sell or a solicitation of an offer to purchase the Notes (collectively, "**Solicitation of the Note Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Note Trade to the person to whom such Solicitation of the Note

Trade is made:

(a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Note Trade;

(b) the Notes fall, or will fall, under the Securities for Professional Investors (*Tokutei Toushika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);

(c) any acquisition or purchase of the Notes by such person pursuant to any Solicitation of the Note Trade is conditional upon such person (i) agreeing to comply with the restriction on transfer of the Notes as set forth in note 7 above, (in the case of a solicitation of an offer to acquire the Notes to be newly issued), or (ii) entering into an agreement providing for the restriction on transfer of the Notes as set forth in note 7 above with the person making such Solicitation of the Note Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Notes already issued);

(d) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Notes as provided in Article 4, Paragraph 2 of the FIEA;

(e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Notes and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the Professional Investors, Etc. by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html or any successor website), in accordance with Rules 210 and 217 of the Special Regulations; and

(f) the Issuer Information, Etc. will be provided to the holders of the Notes or made public pursuant to Article 27-32 of the FIEA.

9. This Santander Consumer Finance, S.A. EUR 25,000,000,000 Euro Medium Term Note Programme (the **"Programme"**) under the Base Prospectus dated 17 June 2021 (as supplemented from time to time) included in this Program Information (the **"Base Prospectus"**) has been rated (i) A2(Senior Unsecured) and Baa2 (Subordinated) by Moody's Investors Service España, S.A. ("**Moody's**"), (ii) A- (Senior Unsecured Debt maturing in one year or more), A-2 (Senior Unsecured Debt maturing in less than one year), BBB+ (Senior Subordinated Debt) and BBB (Subordinated Debt) by S&P Global Ratings Europe Limited ("**S&P**") and (iii) A (Long-term senior preferred) and F1 (Short-term senior preferred) by Fitch Ratings Ireland Limited ("**Fitch**"). Those credit rating firms have not been registered under Article 66-27 of the FIEA ("**Unregistered credit rating firms**").

Unregistered credit rating firms are not subject to any supervision of the Financial Services Agency of Japan or regulations applicable to credit rating firms, including obligations to disclose information, nor any obligation to publicize information regarding such matters as listed in Article 313, Paragraph 3, Item 3 of the Ordinance of the Cabinet Office Concerning Financial Instruments Business, Etc. (the "**Cabinet Office Ordinance**").

Fitch has Fitch Ratings Japan Limited (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No. 7), Moody's has Moody's Japan K.K. (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No. 2) and S&P has S&P Global Ratings Japan Inc. (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No. 5) within their respective groups as credit rating firms registered under Article 66-27 of the FIEA ("**Registered credit rating firms**"), and Fitch, Moody's and S&P are specified affiliated corporations (as defined in Article 116-3, Paragraph 2 of the Cabinet Office Ordinance) of the respective Registered credit rating firms above. The assumptions, significance and limitations of the credit ratings given by Fitch, Moody's and S&P are made available for the public on their respective websites of (i) Fitch Ratings Japan Limited, at "Assumptions, Significance and Limitations of Credit Ratings" posted under "Regulatory Affairs" on its website in the Japanese language (https://www.fitchratings.com/ja/regulatory), (ii) Moody's Japan K.K., at "Assumptions, Significance and Limitations of Credit Ratings" posted under "Related to Explanation of Unregistered Credit Ratings" in the column titled "Use of Ratings of Unregistered Firm" on its website in the Japanese language (https://www.moodys.com/pages/default_ja.aspx), and (iii) S&P Global Ratings Japan Inc., at "Assumptions, Significance and Limitations of Credit Ratings" posted under "Information on Unregistered Credit Ratings" on its website in the Japanese language (https://www.spglobal.com/ratings/jp/regulatory/content/unregistered).

10. The selling restrictions set forth in notes 7 and 8 above shall prevail over those set forth in the section entitled

"SUBSCRIPTION AND SALE" in the Base Prospectus dated 17 June 2021 included in this Program Information.

11. Although the Programme contemplates issuance of various types of the Notes as set out in "OVERVIEW OF THE PROGRAMME" in the Base Prospectus, the Notes which are not eligible to be listed on the TOKYO PRO-BOND Market under the rules and regulations of Tokyo Stock Exchange or due to technical difficulties shall not be listed on the TOKYO PRO-BOND Market.

12. Copies of the documents incorporated by reference in the Base Prospectus dated 17 June 2021 and the supplements thereto are available for viewing at:
https://www.santanderconsumerfinance.com/

BASE PROSPECTUS

SANTANDER CONSUMER FINANCE, S.A.

(incorporated with limited liability in the Kingdom of Spain)

EUR 25,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**") Santander Consumer Finance, S.A. (the "**Issuer**" or "**SCF**") may from time to time issue notes ("**Notes**") during the period of twelve months after the date hereof. This Base Prospectus has been prepared in accordance with, and including the information required by Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129.

This Base Prospectus has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval of this Base Prospectus by the CBI should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. Such approval relates only to Notes that are to be admitted to trading on the regulated market (the "**Regulated Market**") of The Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") or on another regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("**MiFID II**") or that are offered to the public in any Member State of the European Economic Area (the "**EEA**").

Application has been made to Euronext Dublin for Notes issued under this Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the official list (the "**Official List**") and trading on its Regulated Market. The Regulated Market is a regulated market for the purposes of MiFID II. The Programme also permits Notes to be issued on the basis that they may be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer

This Base Prospectus (as supplemented at the relevant time, if applicable) will be valid for 12 months from the date of its approval. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Base Prospectus is no longer valid.

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they understand and make their own assessment as to the suitability of investing in such Notes (see "*Risk Factors*" on pages 8 to 47 of this Base Prospectus). Potential purchasers should note the statements on pages 183 to 189 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 entities, as amended by Law 11/2015, of 18 June ("**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.

Tranches of Notes issued under the Programme may be rated or unrated. If a Tranche of Notes is rated the applicable rating(s) will be specified 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.

The Issuer has been assigned the following long term credit ratings: A- (stable outlook) by Fitch Ratings Ireland Limited ("**Fitch**"), A2 (stable outlook) by Moody's Investors Service España, S.A. ("**Moody's**") and A- (negative outlook) by S&P Global Ratings Europe Limited ("**S&P**"). Each of Fitch, Moody's and S&P is established in the EU and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, the "**CRA Regulation**"). As such each of Moody's, S&P Global, and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation. None of Moody's, S&P Global or Fitch are established in the United Kingdom, however they are each part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) is registered in accordance with the CRA Regulation as it forms part of the domestic law of the United Kingdom ("**UK**") by virtue of the EUWA (the "**UK CRA Regulation**"). The Issuer ratings issued by Moody's, S&P and Fitch have been endorsed by Moody's Investors Service Limited, S&P Global Ratings UK Limited and Fitch Ratings Limited, respectively, in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's, S&P and Fitch may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

PRIIPS / IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EC of the European Parliament and of the Council of EU of 20 January 2016, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation.

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger, the Dealers and any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK PRIIPs / IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (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 Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by the EU PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

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

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

Arranger

Barclays

Dealers

IMI – Intesa Sanpaolo	**Barclays**
BNP PARIBAS	**BofA Securities**
Cecabank	**Citigroup**
Commerzbank	**Crédit Agricole CIB**
Credit Suisse	**Deutsche Bank**
Goldman Sachs Bank Europe SE	**HSBC**
ING	**J.P. Morgan**
Lloyds Bank Corporate Markets	**Société Générale**
Wertpapierhandelsbank	**Corporate & Investment Banking**
Morgan Stanley	**MUFG**
NATIXIS	**NatWest Markets**
Nomura	**Banco Santander**
SEB	**Mizuho Securities**
UBS Investment Bank	**UniCredit**

The date of this Base Prospectus is 17 June 2021

IMPORTANT NOTICES

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

Responsibility for this Base Prospectus and Final Terms

Santander Consumer Finance, S.A. (the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus, any supplement thereto, and the Final Terms for each Tranche of Notes issued under the Programme and declares that, to the best of its knowledge, the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme is in accordance with the facts and makes no omission likely to affect its import.

Public Offers of Notes in the European Economic Area

Certain Tranches of Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in any Member State of the EEA (each, a "**Relevant State**") in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to in this Base Prospectus as a "**Public Offer**". Under this Base Prospectus a summary produced in accordance with article 7 of the Prospectus Regulation will only be drawn up in relation to a Public Offer of Notes. Such an issue-specific summary will be annexed to the applicable Final Terms

This Base Prospectus has been prepared on a basis that permits Public Offers of Notes in Ireland (a "**Public Offer Jurisdiction**"). Any person making or intending to make a Public Offer of Notes in a Public Offer Jurisdiction on the basis of this Base Prospectus must do so only with the consent of the Issuer – see "*Consent given in accordance with Article 5 of the Prospectus Regulation*" below.

If after the date of this Base Prospectus the Issuer intends to add one or more Relevant States to the list of Public Offer Jurisdictions for any purpose, it will prepare a supplement to this Base Prospectus specifying such Relevant State(s) and any relevant additional information required by the Prospectus Regulation. Such supplement will also set out provisions relating to the consent of the Issuer to the use of this Base Prospectus in connection with any Public Offer in any such additional Public Offer Jurisdiction.

Consent given in accordance with Article 5 of the Prospectus Regulation

In the context of any Public Offer of Notes in a Public Offer Jurisdiction, the Issuer accepts responsibility in that Public Offer Jurisdiction, for the content of this Base Prospectus in relation to any person (an "**Investor**") who purchases any Notes in a Public Offer in that Public Offer Jurisdiction made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period (as defined below).

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and nor has the Issuer consented to the use of this Base Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer, nor, for the avoidance of doubt, any of the Dealers accept any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Public Offer and, if so, who that person is.

If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

Consent to the use of this Base Prospectus

Common conditions to Consent

The conditions to the consent of the Issuer to the use of this Base Prospectus in the context of the relevant Public Offer are (in addition to the conditions described in either sub-paragraph (a) (*Specific Consent*) or sub-paragraph (b) (*General Consent*) under "*Specific Consent and General Consent*" below) that such consent:

(i) is only valid in respect of the relevant Tranche of Notes;

(ii) is only valid during the Offer Period specified in the applicable Final Terms; and

(iii) only extends to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) to make Public Offers of the relevant Tranche of Notes in such of the Public Offer Jurisdictions as are specified in the applicable Final Terms.

The consent referred to above relates to Public Offers occurring within twelve months from the date of this Base Prospectus.

Specific Consent and General Consent

In connection with each Tranche of Notes and subject to the conditions set out above under "*Common Conditions to Consent*":

(a) *Specific Consent*:

the Issuer consents to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with a Public Offer of Notes in any Public Offer Jurisdiction by:

(i) the Dealers specified in the relevant Final Terms;

(ii) any financial intermediaries specified in the applicable Final Terms; and

(iii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website of the Issuer (https://www.santanderconsumer.es) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

(b) *General Consent*:

If (and only if) "General Consent" is specified in the relevant Final Terms as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Notes in any Public Offer Jurisdiction by any other financial intermediary which satisfies the following conditions:

(i) is authorised to make such offers under MiFID II**,** including under any applicable implementing measure in each relevant jurisdiction; and

(ii) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

"*We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by Santander Consumer Finance, S.A. (the "**Issuer**").*

*In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [insert name(s) of relevant Public Offer Jurisdiction(s)] during the Offer Period in accordance with the **Authorised Offeror Terms** (as specified in the Base Prospectus), the Issuer accepts the offer by the Issuer. The Issuer confirms that is authorised under MiFID II to make, and are using the Base Prospectus in connection with, the Public Offer accordingly.*

Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus."

Any financial intermediary falling within this sub-paragraph (b) who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period specified in the applicable Final Terms, to publish a duly completed Acceptance Statement on its website stating that it uses this Base Prospectus in accordance with the consent and the conditions attached thereto.

Authorised Offerors

The financial intermediaries referred to in sub-paragraphs (a) (ii) and (iii) and sub-paragraph (b), above, are together referred to herein as the "**Authorised Offerors**".

Arrangements between an Investor and the Authorised Offeror who will distribute the Notes

Neither the Issuer, nor, for the avoidance of doubt, any of the Dealers, have any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NEITHER THE ISSUER NOR THE DEALERS HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

IN THE EVENT OF AN OFFER BEING MADE BY A FINANCIAL INTERMEDIARY, SUCH FINANCIAL INTERMEDIARY WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.

Public Offers: Issue Price and Offer Price

Notes to be offered pursuant to a Public Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer(s) at the time of the relevant Public Offer and will depend, amongst other things, on the interest rate applicable to the Notes and prevailing market conditions at that time. The offer price at which the Authorised Offeror will offer such Notes to the Investor will be the Issue Price or (where agreed with the relevant Dealer) such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Notes to such Investor. The Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Notes to such Investor.

Save as provided above, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below. This Base Prospectus

must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

Other relevant information

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Unauthorised information

No person has been authorised to give any information or to make any representation regarding the Issuer and the companies whose accounts are consolidated with those of the Issuer (together, the "**Consumer Group**") or the Notes not contained in or consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them make any representation or warranty or accept any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any supplement hereto, or any Final Terms or any document incorporated herein by reference. Neither the delivery of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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.

Prospective investors should consider that 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, that such market volatility could adversely affect the price of the Notes and that the different economic and market conditions could have any other adverse effect.

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 Base Prospectus, 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.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms or Drawdown Prospectus, as the case may be, and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements in the Securities Act.

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

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 25,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

The Stabilising Manager(s) shall act as the central point responsible in connection with each Tranche of Notes as required by Article 6(5) of Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

Dealers' business activities

Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their respective affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, certain of the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates which 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 respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. Certain of the Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Ratings of Notes under the Programme

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) 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 EEA and registered under the CRA Regulation will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Other defined terms

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

For the avoidance of doubt, uniform resource locators ("**URLs**") given in respect of web-site addresses in the Base Prospectus are inactive textual references only and it is not intended to incorporate the contents of any such web sites into this Base Prospectus nor should the contents of such web sites be deemed to be incorporated into this Base Prospectus, unless specifically incorporated by reference in this Base Prospectus.

All references in this Base Prospectus to "**U.S. $**" or to "**U.S. Dollars**" are to United States dollars, references to "**Sterling**" are to pounds sterling, references to "**Renminbi**" and "**CNY**" are to Chinese Yuan Renminbi, the lawful currency of The People's Republic of China ("**PRC**"), and references to "**EUR**", "**euro**" and "**€**" are to the single currency of participating Member States of the European Union.

This Base Prospectus (and the documents incorporated by reference in this Base Prospectus) contains certain management measures of performance or alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority on 5 October 2015 on alternative performance measures (the "**APMs**" and the "**ESMA Guidelines**", respectively), which are used by management to evaluate Issuer's overall performance. These APMs are not audited, reviewed or subject to review by Issuer's auditors and are not measurements required by, or presented in accordance with, International Financial Reporting Standards as adopted by the EU ("**IFRS-EU**"). Accordingly, these APMs should not be considered as alternatives to any performance measures prepared in accordance with IFRS-EU. Many of these APMs are based on Issuer's internal estimates, assumptions, calculations, and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by the Issuer, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of Issuer's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU and incorporated by reference in this Base Prospectus.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") - 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**")) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Product and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Guidance under the Hong Kong Monetary Authority circular - in October 2018, the Hong Kong Monetary Authority (the "**HKMA**") issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments, are to be targeted in Hong Kong at Professional Investors only and are generally not suitable for retail investors in either the primary or secondary markets. Investors in Hong Kong should not purchase the Notes in the primary or secondary markets unless they are Professional Investors only and understand the risks involved. The Notes are generally not suitable for retail investors.

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OVERVIEW OF THE PROGRAMME

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

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Santander Consumer Finance, S.A.
LEI Code:	5493000LM0MZ4JPMGM90
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" above.
Description:	Euro Medium Term Note Programme.
Size:	Up to EUR 25,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	Barclays Bank Ireland PLC
Dealers:	Intesa Sanpaolo S.p.A., Banco Santander, S.A., BofA Securities Europe SA, Barclays Bank Ireland PLC, BNP Paribas, Cecabank, S.A., Citigroup Global Markets Europe AG, Commerzbank, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities Sociedad de Valores, S.A., Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, ING Bank N.V., J.P. Morgan AG, Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH, Mizuho Securities Europe GmbH, Morgan Stanley, MUFG Securities (Europe) N.V., NATIXIS, NatWest Markets N.V., Nomura Financial Products Europe GmbH, Skandinaviska Enskilda Banken AB (publ), Société Générale, UBS Europe SE and UniCredit Bank AG. The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as Dealers in respect of the whole Programme (and whose appointment has not been terminated) and all persons appointed as a Dealer in respect of one or more Tranches.
Issue and Paying Agent:	The Bank of New York Mellon, London Branch
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes are issued in series (each, a "**Series**"), and each Series may comprise one or

	more tranches ("**Tranches**" and each, a "**Tranche**") of Notes issued on the same or different issue dates. The specific terms of each Tranche will be completed in the applicable final terms document (the "**Final Terms**").
Issue Price:	Notes may be issued at par or at a discount to par or a premium over par and on a fully paid basis, as specified in the relevant Final Terms. The issue price and the principal amount of the relevant Tranche of Notes will be determined before filing of the relevant Final Terms of each Tranche on the basis of then prevailing market conditions.
Form of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new 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 depositary or a common depositary 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. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".
Clearing Systems:	Euroclear, Clearstream, Luxembourg or any other clearing system as may be specified in the relevant Final Terms.

Currencies:	The Notes may be denominated in any currency subject to compliance with all applicable legal and/or regulatory requirements and/or central bank requirements.
Maturities:	Notes may be issued with any maturity subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Senior Non Preferred Notes will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations. Tier 2 Subordinated Notes will have a maturity of not less than five years in accordance with Applicable Banking Regulations.
Specified Denomination:	Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) no Notes may be issued under the Programme which have a minimum denomination of less than EUR 1,000 (or equivalent in another currency); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes:	Fixed Rate Notes will bear interest at the fixed rate(s) of interest specified in the relevant Final Terms. The rate of interest will remain constant or may be altered on certain reset dates as specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest at a variable rate either determined (a) on the basis of a floating rate set out in the 2006 ISDA Definitions, or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service, together with the (positive or negative) margin (if any).
Zero Coupon Notes:	Zero Coupon Notes will be offered or sold at a discount to, or at 100% or above of, their principal amount and will not bear interest.
CMS-Linked Notes:	CMS-Linked Notes will bear interest (if any) at a rate determined by reference to a constant maturity swap rate as specified in the relevant Final Terms.
Interest Periods and Interest Rates:	The length of interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a

	minimum interest rate, or both. All such information will be set out in the Final Terms.
Redemption:	Notes may be redeemable at the redemption amount specified in the relevant Final Terms subject to compliance with all applicable legal and/or regulatory requirements. Early redemption will be permitted for taxation reasons or, in the case of Ordinary Senior Notes if so specified in the relevant Final Terms, following an Event of Default or, in the case of Subordinated Notes, Senior Non Preferred Notes and if so specified in the relevant Final Terms, the Ordinary Senior Notes, upon the occurrence of a TLAC/MREL Disqualification Event, or, in the case of Tier 2 Subordinated Notes, upon the occurrence of a Capital Disqualification Event, but otherwise early redemption will be permitted only to the extent specified in the relevant Final Terms. Redemption of Tier 2 Subordinated Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to a TLAC/MREL Disqualification Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations. Any early redemption of Subordinated Notes, Senior Non Preferred Notes or Ordinary Senior Notes eligible to comply with the TLAC/MREL Requirements will be subject to the prior consent of the competent authorities and/or relevant resolution authorities, to the extent required, in accordance with Applicable Banking Regulations.
Status of Notes:	Notes may be either Senior Notes (in which case they will be Ordinary Senior Notes or Senior Non Preferred Notes) or Subordinated Notes (in which case they will be Senior Subordinated Notes or Tier 2 Subordinated Notes) as more fully described in Condition 3 (*Status of the Notes*).
Substitution and Variation:	If specified in the relevant Final Terms as being applicable to the Notes and a TLAC/MREL Disqualification Event, a Capital Disqualification Event or a circumstance giving rise to the right of the Issuer to redeem the Notes for taxation reasons, as applicable, occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes (as the case may be) or modify the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to, become, or remain

	Qualifying Notes. See Condition 22 (*Substitution and Variation*).
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 of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Spain unless the withholding is required by law. In such event, the Issuer shall (subject to customary exceptions and, in respect of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements only in respect of the payment of interest) pay such additional amounts as shall result in receipt by the Holder of the relevant Note of such amounts as would have been received by it had no such withholding been required, all as described in "*Terms and Conditions of the Notes – Taxation*". The Issuer considers that, according to Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July, it is not obliged to withhold taxes in Spain in relation to interest paid on the Notes to any investor (whether tax resident in Spain or not) provided that the information procedures described in section "*Taxation*" below are fulfilled. According to the information procedures described in such section, it would no longer be necessary to provide the Issuer with information regarding the identity and tax residence of the Holders of the Notes or the amount of interest payable to them, provided certain conditions are met. For further information on this matter, please refer to "*Risk Factors — Taxation in Spain*".
Governing Law:	English law or Spanish law, as specified in the relevant Final Terms. In the case of English law Notes, Condition 3 (*Status of the Notes*), and Condition 12 (*Syndicate of Holders of the Notes and Modification*) will be governed, and construed in accordance with, Spanish law.

Listing and Admission to Trading:	This Base Prospectus has been approved by the CBI as competent authority under the Prospectus Regulation. The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed under Irish and EU law pursuant to the Prospectus Regulation. Such approval by the CBI should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Base Prospectus. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market, as specified in the relevant Final Terms. Each Series may be listed on the Official List of Euronext Dublin and traded on the regulated market of Euronext Dublin and/or any other listing authority, stock exchange and/or quotation system (as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms).
Selling Restrictions:	The United States, the European Economic Area, the UK, France, Spain, Japan, Switzerland, Belgium, Singapore, Hong Kong, People's Republic of China, Taiwan, Republic of Korea, Italy and/or such other restrictions as may be required in connection with the offering and sale of the Notes. See "*Subscription and Sale*".

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 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, 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 Base Prospectus 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. In particular, there are certain other risks, which are considered to be less important or because they are more general risks they have not been included in this Base Prospectus in accordance with the Prospectus Regulation.

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

1. Macro-Economic and Political Risks

The current global COVID-19 pandemic has materially impacted the business of the Consumer Group, and the continuance of this pandemic or any future outbreak of any other highly contagious diseases or other public health emergency, could materially and adversely impact its business, financial condition, liquidity and results of operations.

Since December 2019, a new strain of coronavirus, or COVID-19, spread in the People's Republic of China and progressively to the rest of the world, mainly to Europe (including Spain), and the United States, among others. The outbreak was declared a public health emergency of international concern and a global pandemic by the World Health Organization.

Countries around the world have responded to the COVID-19 pandemic by adopting a variety of measures in an attempt to contain the spread and impact of COVID-19, including imposing mass quarantines or other containment measures, shelter-in-place orders and medical screenings, restricting travel, limiting public gatherings and suspending most economic activities. These measures have resulted in a severe decrease of global economic activity and falls in production and demand, which has led to sharp declines in the gross domestic product ("**GDP**") of those countries which are most affected by the pandemic and is expected to continue to have an overall negative impact on global GDP in 2021. Other consequences include increased unemployment levels, sharp decreases and high volatility in the stock markets, disruption of global supply chains, exchange rate volatility, steady customer draws on lines of credit, decline in real estate prices, and uncertainty in relation to the future impact in regional and global economies in the medium and long term. These measures have also negatively impacted, and could continue to negatively impact, businesses, market participants, Consumer Group's counterparties and clients, and the global economy for a prolonged period of time. Furthermore, it is unclear how the macroeconomic business environment or societal norms may be impacted after the pandemic. The post-COVID-19 environment may undergo unexpected developments or changes in the financial markets, fiscal, tax and regulatory environments as well as customer and corporate client behaviour which could have an adverse impact on the business of the Consumer Group.

Many governments and regulatory authorities, including central banks, have acted, and may further act, to provide relief from the economic and market disruptions resulting from the COVID-19 pandemic, including providing fiscal and monetary stimuli to support the global economy, lowering federal funds rates and interest rates, and granting partial or total deferral (grace period) of principal and/or interest payments due on loans. It is difficult to predict how effective these and other measures taken to mitigate the economic effects of the pandemic will be.

Should current economic conditions persist or continue to deteriorate, the Consumer Group expects that this macroeconomic environment will have a continued material adverse effect on the business and results of operations of the Consumer Group, which could include, but is not limited to (i) a continued decreased demand for its products and services; (ii) protracted periods of lower interest rates and resulting pressure

on its margins; (iii) further material impairment of its loans and other assets including goodwill; (iv) decline in value of collateral; (v) constraints on its liquidity due to market conditions, exchange rates and customer withdrawal of deposits and continued draws on lines of credit; and (vi) downgrades to its credit ratings. See risk factor entitled *'Credit, market and liquidity risk may have an adverse effect on the credit ratings of the Group and its cost of funds. Any downgrade in the credit rating of the Group would likely increase its cost of funding, require the 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.'*

Additionally, unprecedented movement in economic and market drivers related to the COVID-19 pandemic impacted the performance of financial models including credit loss models, capital models, traded risk models and models used in the asset/liability management process. This has required additional monitoring and adjustments to comply with the guidance and recommendations of standard setters, regulators and supervisors, particularly for credit loss models. It also has resulted in the use of mitigants for model limitations, such as adjustments to model outputs to reflect consideration of management judgement. The performance and usage of models have been and may continue to be impacted by the consequences of the COVID-19 pandemic. While it is too early to be entirely certain of the magnitude of change required for the models of the Consumer Group, it is likely that capital, credit risk and other models will need to be adjusted. The effectiveness of such models will depend in large part on the depth and length of the economic downturn.

Moreover, the operations of the Consumer Group will continue to be impacted by risks from remote working arrangements or bans on non-essential activities. For example, some of its branches in affected countries have been closed and others have been functioning with reduced hours for a significant period of time. During 2020, the Consumer Group had more than half of its total workforce working remotely, which has increased cybersecurity risks given greater use of computer networks outside the corporate environment. If the Consumer Group becomes unable to successfully operate its business from remote locations including, for example, due to failures of its technology infrastructure, increased cybersecurity risks, or governmental restrictions that affect its operations, this could result in business disruptions that could have a material and adverse effect on its business.

If the COVID-19 pandemic continues to adversely affect the global economy and/or adversely affect the business, financial condition, liquidity or results of operations of the Consumer Group, it may also increase the likelihood and/or magnitude of other risks described in this 'Risk Factors' section.

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.

During 2020, most world economies faced severe recession as a result of COVID-19 which 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 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 paid 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 entitled '*The credit quality of the loan portfolio of the Group may deteriorate and the Group's loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Group*'.

In addition, the Consumer Group is exposed to sovereign debt from certain regions (for more information on its exposure to sovereign debt, see notes 7 to the 2020 Financial Statements). The balance at 31 December 2020 of the "Foreign Government Debt" account relates mainly to Danish and Norwegian Treasury bills acquired by the subsidiary Santander Consumer Bank AS (Norway) for approximately EUR 189,808,000 and EUR 160,393,000, respectively, Italian Treasury bills acquired by the Italian subsidiaries Santander Consumer Bank S.p.A. and Banca PSA Italia S.p.A. for approximately EUR 1,277,170,000, Finnish Treasury bonds purchased by the subsidiary Santander Consumer Finance, OY (Finland) for approximately EUR 85,131,000, German Treasury bonds purchased by the German subsidiary Santander Consumer Bank, AG for approximately EUR 1,174,170,000 and Austrian Treasury bonds purchased by Santander Consumer Bank, GmbH (Austria) for approximately EUR 1,000,000.

Recessionary conditions in the economies of Europe in which the 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, and changes in governmental policies, including expropriation, nationalization, international ownership legislation, interest-rate caps, tax and monetary policies.

For the year ending 31 December 2020, attributable profit amounted to EUR 504.1 million, a decrease of 56% compared to 2019. By lines, the gross income remained in line with the previous year despite the pandemic, with an increase in net interest income (+1.5%) and other operating income, which mitigated the fall in fees and commissions (9.7%) caused by the lower volume of new production during the pandemic. Costs barely grew by 0.6%, absorbing practically all of the new acquisitions of Sixt Leasing and Ford Finance in the Nordics, as well as the start-up of TimFin in Italy (joint venture with TIM Italia) in 2020. Cost to income stood at 42.4%. Provisions increased compared to 2019 due to the adjustment of expected loss models, which incorporate information reflecting the prospective macroeconomic environment and lower sales of doubtful portfolios and write-offs. The cost of credit stood at 0.85% compared to 0.39% in the previous year. The NPL ratio was 2.07% and coverage was 107.8%.

It should be noted, in addition to the impact of COVID-19, that 2020 contains an extraordinary amortization of the Goodwill of the Cash Generating Unit (CGU) of Nordics (Scandinavia) in the amount of EUR 277 million and tax losses mainly in Santander Consumer S.A with an impact of EUR 47.2 million.

In the past, the European Central Bank ("**ECB**") and the European Council have taken actions with the aim of reducing the risk of contagion in the eurozone and beyond and improving economic and financial stability. Notwithstanding these measures, a significant number of financial institutions throughout Europe have substantial exposures to sovereign debt issued by eurozone (and other) nations, which may be under financial stress. Should any of those nations default on their debt, or experience a significant widening of credit spreads, major financial institutions and banking systems throughout Europe could be adversely affected, with wider possible adverse consequences for global financial market conditions.

In June 2020 the ECB put in place a set of monetary policy and banking supervision measures to mitigate the impact of the COVID-19 pandemic on the euro area economy and to support all European citizens. In particular, the EUR 1,350 billion pandemic emergency purchase programme ("**PEPP**") aims to lower

borrowing costs and increase lending in the euro area. The ECB will terminate net asset purchases under the PEPP once it judges that the COVID-19 crisis phase is over, but in any case not before the end of June 2021. This programme complements the asset purchase programmes that have been in place since 2014.

On 21 July 2020, the EU agreed on a EUR 750 billion recovery effort to help the EU tackle the crisis caused by the pandemic. Alongside the recovery package, the EU agreed on a EUR 1,074.3 billion long-term EU budget for 2021-2027. Among others, the budget will support investment in the digital and green transitions.

The risk of returning to a fragile and volatile environment and to political tensions exists if current ECB policies in place are quickly reversed, the reforms aimed at improving productivity and competition do not progress, the closing of the banking union and other measures of integration are not deepened or anti-European groups succeed.

In addition, on 31 January 2020 the UK ceased to be a member of the EU which could have a material adverse effect on the Consumer Group. See risk factor entitled *'The UK's withdrawal from the European Union could have a material adverse effect on the operations, financial condition and prospects of the Consumer Group'*.

The UK's withdrawal from the European Union 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, on withdrawal terms which established a transition period until 31 December 2020, during which 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, although a further transitional period has been agreed with respect to rules on the transfer of personal data between the EU and the UK until the end of June 2021. It is uncertain whether equivalence decisions will be granted or whether a trade agreement with respect to financial services between the EU and the UK will be reached. The impact of any such trade agreement, equivalence decisions or any other cooperation mechanisms on financial markets generally, the extent of legislative and regulatory convergence and regulatory cooperation that would be required between the UK and the EU member states, as well as the level of access that may be granted to financial services firms across EU and UK markets is uncertain. 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 current trade deal on economic growth in the UK given that it does not address services. The effect of the additional non-tariff trade barriers imposed on products is equally unknown. It is likely that growth will initially be disrupted as businesses adapt to the new cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers and suppliers.

In the short and medium term the situation generates economic and political uncertainty which will likely materialise in (i) an increase in market volatility, which could have a negative impact on the cost of funding for the Consumer Group and its access to finance, especially in a context in which credit ratings are affected and could affect interest and exchange rates, the value of the Consumer Group's assets and the value of the Consumer Group's securities held for liquidity reasons; and (ii) a deterioration in the UK economy that could have a negative impact on the Consumer Group’s customers in that country.

While the longer-term effects of the UK's withdrawal from the EU are difficult to predict, there is ongoing political and economic uncertainty, which is likely to continue in the medium term and which could negatively impact Consumer Group customers and counterparties.

There are also other potential longer-term impacts resulting from the UK's withdrawal from the EU which could impact the UK economy and the Consumer Group business such as:

- increased calls for a second referendum on Scottish independence from the UK; and
- instability in Northern Ireland, if the current arrangements regarding the borders between the Republic of Ireland, Northern Ireland and Great Britain are called into further question.

If one or more of these risks were to materialize it could 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.

In December 2020, the president of Polish the Financial Supervision Authority presented a proposal of voluntary agreements between banks and borrowers through which the loans denominated in Swiss francs would be subject to liquidation as loans denominated in zlotys with an interest rate referenced to the appropriate margin over Warsaw Interbank Offer Rate. This proposal is currently under analysis by the banks' representatives and the pertinent authorities. Depending on the result of this analysis, the entity will include these scenarios in their provision calculation models to reflect the estimated impact. Furthermore, during 2021 the Supreme Court is expected to voice itself on key matters regarding litigations regarding foreign currency loans, shedding light on current discrepancies and set a precedent. These events could significantly impact the current level of provisions, the Santander Consumer Bank, S.A. (Poland) Board of Directors considers it is not possible to accurately estimate the impact on the Group's financial position.

As at 31 December 2020, Santander Consumer Bank, S.A. (Poland) had a portfolio of mortgages denominated in or indexed to CHF amounting to approximately 2,162 million Polish zlotys (EUR 473 million).At the same date, there is a provision of PLN 143.6 million (EUR 31.5 million) to cover the mortgage portfolio denominated in CHF. This provision represents the best estimate to date given the difficulty to predict the financial impact, as it is for national courts to decide the relevant issues. Santander Consumer Bank Poland will continue to monitor and assess appropriateness of those provisions in the upcoming reporting periods.

	EUR Thousands	
	2020	2019
Provision for pensions and other employment defined benefit	636,531	603,472
Provisions for other long-term employee benefits	52,500	48,882
Provisions for taxes and other legal contingencies	22,878	80,932
Provisions for commitments and guarantees given	33,396	38,928
Other provisions	146,923	133,384
	892,228	905,598

The amount of the Consumer Group's reserves in respect of these matters is substantially less than the total amount of the claims asserted against it and, in light of the uncertainties involved in such claims and

proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves currently accrued by the Consumer Group. As a result, the outcome of a particular matter may be material to its operating results for a particular period. As of 31 December 2020, the Consumer Group had provisions for taxes and other legal contingencies for EUR 22.9 billion.

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, 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 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 11 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 0.04%).

On 23 November 2020, the Issuer received from the ECB a letter regarding the SREP for 2020. In line with the EBA statement on additional supervisory measures in the COVID-19 pandemic of 22 April 2020, the ECB has adopted a pragmatic approach towards the SREP for the 2020 cycle, which focuses on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current and prospective risk profile. The letter is not a supervisory measure, does not amend or supersede the 2019 SREP Decision, and consequently confirms that the requirements established therein continue to apply, including, in particular, the capital requirements.

As of the date of this Base Prospectus, the CET1 applicable capital requirement is of at least 7.89 per cent. on a consolidated basis, which includes: the minimum Pillar 1 requirement (4.5 per cent.); the Pillar 2 requirement (which is now 1.5 per cent., but due to the capital relief measures adopted by the ECB in March 2020, banks are now allowed to partially use Additional Tier 1 or Tier 2 instruments to meet the Pillar 2 requirements, which results in a 0,84 per cent to be covered by CET 1); the capital conservation buffer (2.5 per cent; and the counter-cyclical buffer currently applicable (0.0526 per cent.). As of March 2021, the Issuer's total capital ratio was 17.08% on a consolidated basis (fully loaded) and the Issuer's CET1 capital ratio was 13.57% 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, the Issuer received on 27 November 2019 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 sub-consolidated level, as determined by the Single Resolution Board ("**SRB**"). This MREL requirement has been set at 14.98% of total liabilities and own funds ("**TLOF**"), which as a reference of risk weighted assets at 28 November 2018 would be 22.35%, and shall be met all times from 27 November 2019 onwards. 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 Group is subject to review by tax authorities, and an incorrect interpretation of tax laws and regulations by the 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, including as a result of the COVID-19 pandemic. While the Consumer Group has in place liquidity management processes to seek to mitigate and control these risks as well as a model based on autonomous subsidiaries in terms of capital and liquidity which limits the possibility of contagion between its units, 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 fulfill 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 in presence in other European countries, mostly Scandinavia and France, and widening its geographic diversification.

Central banks have taken extraordinary measures to increase liquidity in the financial markets as a response to the financial crisis and the COVID-19 crisis. If current facilities were rapidly removed or significantly reduced, 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 Group could be adversely impacted by liquidity tensions arising from generalized drawdowns of committed credit lines to the customers of the 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 2020, the LCR ratio of the Consumer Group was 314 per cent. 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 2020, the NSFR ratio of the Consumer Group stood at 114 per cent.

Credit, market and liquidity risk may have an adverse effect on the credit ratings of the Group and its cost of funds. Any downgrade in the credit rating of the Group would likely increase its cost of funding, require the 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:

Rating agency	Long term	Short term	Last report date	Outlook
Fitch	A-	F2	10 June 2021	Stable
Moody's	A2	P1	19 October 2020	Stable
S&P	A-	A-2	26 May 2021	Negative

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 Group's ratings is linked, to a large extent, to the macroeconomic outlook and to the impact of the COVID-19 pandemic (including, for example, a new wave, new lockdowns, etc.) on the asset quality, profitability and capital of the 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 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.

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 including as a result of the COVID-19 pandemic.

In response to COVID-19, with the purpose of helping the customers of the Consumer Group from the credit perspective and foster their economic resilience, the Consumer Group has implemented several actions, including (i) providing liquidity and credit facilities to customers facing hardship; (ii) granting payment deferrals in outstanding loans under the EBA Guidelines on moratoria; (iii) focus credit risk management on those economic sectors more affected by the pandemic; (iv) focus on the collections & recoveries readiness across the Consumer Group; and (v) quantifying the provisions overlay on the expected credit losses as a result of the macroeconomic shock. If the Consumer Group was unable to control the level of its non-performing or poor credit quality loans, this could have a material adverse effect on the Consumer Group.

The loan loss reserves of the Consumer Group are based on its current assessment of and expectations concerning various factors affecting the quality of its loan portfolio. These factors include, among other

things, the financial condition of the borrowers of the Consumer Group, repayment abilities 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 Scandinavia. At 31 December 2020, Germany accounted for 36.7 % of the Consumer Group's total loan portfolio, Spain accounted for 14.3 % and Scandinavia accounted for 17.3 %. 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 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 at 31 December 2020, the Consumer Group's credit risk (which includes gross loans and advances to customers, central banks and credit institutions) amounted to EUR 98.323 billion (EUR 98.566 billion at 31 December 2019). The Consumer Group's NPL ratio stood at 2.07% (2.00% at 31 December 2019) and coverage stood at 107.80% (98.22% the previous year). Although its NPL ratio increased from 2.00% at 31 December 2019 to 2.07% at 31 December 2020, the Consumer Group can provide no assurance that its NPL ratio will not increase further as a result of the aforementioned and other factors. 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.

Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss (net) in 2020 was EUR 0.8 billion, a 117 per cent. increase as compared to 2019 mainly due to expected credit losses arising from the COVID-19 pandemic.

At 31 December 2020, the geographic spread of the Consumer Group's total customer loans and advances (EUR 97.4 billion) portfolio was as follows:

	2020 Financial year (audited)	**Percentage of total activity**	**2019 Financial year (audited)**	**Variation 2020/2019 (percentage)**
	(millions of euro)		*(millions of euro)*	
Spain	13,923	14.3 %	15,241	-8.6 %
Italy	8,954	9.2 %	9,186	-2.5 %
Germany	35,803	36.7 %	35,504	0.8 %
France	14,431	14.8 %	13,968	3.3 %
The Nordics	16,833	17.3 %	16,362	2.9 %
Other Areas & Intragroup adjustments	7,496	7.7%	8,037	-6.7 %
Total	**97,440**	**100 %**	**98,299**	**-0.9 %**

At the end of 2020, the risk on the financial margin at one year, measured as its sensitivity to a parallel fall of 75 basis points, was EUR (minus) 6.42 million.

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.

The COVID-19 pandemic has caused high market volatility which may materially and adversely affect the Consumer Group and its banking book.

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 2020, risk on net interest income over a one year period, measured as sensitivity to parallel changes in the worst-case scenario of ± 100 basis points, was concentrated on the euro's curve with EUR (minus) 6.4 million.

The risk on economic value of equity of the Consumer Group, measured as sensitivity to parallel changes in the worst-case scenario of ± 100 basis points, was concentrated on the euro's curve with EUR –57.9 million.

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. An impairment of goodwill of the Cash Generating Unit ("**CGU**") of Nordics (Scandinavia) was recognized at Consumer Group level in 2020.

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. 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. For instance, the ECB adopted on 27 March 2020 its Recommendation ECB 2020/19, recommending banks not to pay dividends or buy back shares during the COVID-19 pandemic until at least 1 October 2020. On 28 July 2020, the ECB extended this recommendation until 1 January 2021. Lastly, on 15 December 2020, the ECB issued its recommendation 2020/35 on dividend distributions during the COVID-19 pandemic and repealing its previous recommendation on this matter, by which it recommends that banks under the scope of its direct supervision exercise extreme prudence on dividends and share buy-backs. The ECB asked the banks to consider not distributing any cash dividends or conducting share buy-backs, or to limit such distributions until 30 September 2021. Given the persisting uncertainty over the economic impact of the COVID-19 pandemic, the ECB also considers that it would not be prudent for credit institutions to consider making a distribution and share buy-backs amounting to more than 15 per cent. of their accumulated profit for the financial years 2019 and 2020, or more than 20 basis points in terms of the CET1 ratio, whichever is lower.

At 31 December 2020, the pay-out for the Issuer was 22.7%[1].

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,

[1] 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*)

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 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 FCA announced the future cessation or loss of representativeness of the London Interbank Offered Rate ("**LIBOR**") benchmark settings currently published by ICE Benchmark Administration Limited. The Bank of England is publishing a reformed Sterling Overnight Index Average ("**SONIA**"), comprised of a broader set of overnight Sterling money market transactions, which has been selected by the Working Group on Sterling Risk-Free Reference Rates as the alternative rate to Sterling LIBOR. In addition, the Federal Reserve Bank of New York now publishes three reference rates based on overnight US Treasury repurchase agreement transactions, including the Secured Overnight Financing Rate ("**SOFR**"), which has been recommended as the alternative to US dollar LIBOR. Furthermore, the European Money Market Institute (the "**EMMI**") announced the discontinuation of the EONIA after 3 January 2022 and that from 2 October 2019 until its total discontinuation it will be replaced by the €STR plus a spread of 8.5 basis points. Many unresolved issues remain, such as the timing of the successor benchmarks' introduction and the transition of a particular benchmark to a replacement rate, which 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. 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, 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 related 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

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

The 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, as recently amended by Royal Decree-Law 7/2021, of 27 April, partially implementing BRRD II in Spain ("**RDL 7/2021**") ("**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 unsound or failing credit institutions or investment firms ("**institutions**") 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.

In accordance with Article 20 of Law 11/2015, an institution will be considered as failing or likely to fail in any of the following circumstances: (i): it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements necessary for maintaining its authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). The determination that an institution is no longer viable may depend on a number of factors which may be outside of that institution's control.

As provided in the BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the Relevant Resolution Authority (as defined below) 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 problematic 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 by which the Relevant Resolution Authority may exercise the Spanish Bail-in Power (as defined below). This includes the ability of the Relevant Resolution authority to write down (including to zero) and/or to convert into equity or other securities or obligations (which equity, securities or obligations could also be subject to any future application of the Spanish Bail-in Power) certain unsecured debt claims (including Ordinary Senior Notes and Senior Non Preferred Notes) and subordinated obligations (including Subordinated Notes).

The "**Spanish Bail-in Power**" is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in Spain, relating to the transposition of the BRRD (including 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**")), as amended from time to time, including, but not limited to (i) Law 11/2015, as amended from time to time, (ii) Royal Decree 1012/2015, as amended from time to time, (iii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time ("**SRM Regulation**") (including Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the "**SRM Regulation II**")), and (iv) any other laws, rules or standards made in connection with either (i), (ii) or (iii), pursuant to which any obligation of an institution can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such institution or any other person (or suspended for a temporary period).

Condition 20 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 Spanish Bail-in Power, the sequence of any resulting write-down or conversion by the Relevant Resolution Authority shall be as follows: (i) CET1 capital 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 that do not qualify as additional Tier 1 capital instruments or Tier 2 capital instruments; and (v) the principal or outstanding amount of the eligible liabilities prescribed in Article 41 of Law 11/2015 in accordance with the applicable insolvency legislation. Any application of the Spanish Bail-in Power and the Non-Viability Loss Absorption (as defined below) shall be in accordance with the hierarchy of claims in normal insolvency proceedings (unless otherwise provided by Applicable Banking Regulations (as defined in Condition 3 below)). 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.

Under Article 281 of Royal Decree 1/2020, of 5 May, approving the revised text of the Bankruptcy Law (the "**Insolvency Law**") read in conjunction with Additional Provision 14.3º of Law 11/2015, as amended by the RDL 7/2021, 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 (including those that do not qualify as additional Tier 1 capital instruments or Tier 2 Notes) (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) contractually subordinated liabilities in respect of instruments that qualify as Tier 2 capital, and (ix) contractually subordinated liabilities in respect of instruments that qualify as Additional Tier 1.

The Spanish Bail-in Power contains an express safeguard designed to leave no creditor worse off than in the case of insolvency.

In addition to the Spanish Bail-in Power, the BRRD, Law 11/2015 and the SRM Regulation provide for resolution authorities to have the further power to permanently write-down (including to zero) or convert into equity capital instruments such as the Tier 2 Subordinated Notes at the point of non-viability (and, pursuant to BRRD II and the SRM Regulation II, certain internal eligible liabilities and instruments) ("**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 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 the Consumer Group is the point at which the Consumer Group infringes or there are objective elements to support a determination that the Consumer 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). In addition, pursuant to BRRD II and the SRM Regulation II, certain internal eligible liabilities may also be subject to Non-Viability Loss Absorption pursuant to and in accordance with relevant national implementing measures of article 45f and article 59 of BRRD II.

In accordance with Article 64.1.(i) of Law 11/2015, the FROB has also the power to alter the amount of interest payable under debt Notes and other eligible liabilities of institutions subject to resolution proceedings and the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period).

The powers set out in the BRRD as implemented through Law 11/2015, the Royal Decree 1012/2015 and the SRM Regulation will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of the Notes may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool, which may result in such Holders losing some or all of their investment. The exercise of any power under Law 11/2015 or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

There may be limited protections, if any, that will be available to holders of securities subject to the Spanish Bail-in power or the Non-Viability Loss Absorption 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 Spanish Bail-in Power or the Non-Viability Loss Absorption.

There remains uncertainty as to how or when the Spanish Bail-in Power and/or in the case of Tier 2 Subordinated Notes, and, pursuant to BRRD II and the SRM Regulation II, certain internal eligible liabilities, the Non-Viability Loss Absorption 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. Although there are proposed pre-conditions for the exercise of the Spanish bail-in power or the Non-Viability Loss Absorption, there remains uncertainty regarding the specific factors which the Relevant Resolution Authority would consider in deciding whether to exercise the Spanish Bail-in Power or the Non-Viability Loss Absorption with respect to the financial institution and/or securities issued or guaranteed by that institution. In addition, as the Relevant Resolution Authority will retain an element of discretion, Holders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such Spanish Bail-in Power and/or, in the case of Tier 2 Subordinated Notes and, pursuant to BRRD II and the SRM Regulation II, certain internal eligible liabilities, the Non-Viability Loss Absorption. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any such powers may occur which would result in a principal amount write off or conversion to equity.

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

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.

The Notes may be denominated in a currency different to the investor's home currency

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

If so specified in the Final Terms, the Notes may be redeemed at the option of the Issuer, as further described in Condition 5.06. The Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

In addition, 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 5.02.

In the case of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with the TLAC/MREL Requirements redemption at the option of the Issuer or for taxation reasons will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority (as these terms are defined in the Terms and Conditions) if and as required therefor under Applicable Banking Regulations (as defined in the Terms and Conditions) and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. See more detail in "*–The Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes may be redeemed prior to maturity upon the occurrence of a Capital Disqualification Event or a TLAC/MREL Disqualification Event*" below.

Early redemption features (including any redemption of the Notes at the option of the Issuer pursuant to Condition 5.06 or for taxation reasons pursuant to Condition 5.02) 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.

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.

The Subordinated Notes, the Senior Non Preferred Notes and, to the extent so specified in the relevant Final Terms, the Ordinary Senior Notes, provide for limited events of default. Holders of Notes may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure under Law 11/2015

Holders have no ability to accelerate the maturity of their Subordinated Notes, Senior Non Preferred Notes and, to the extent so specified in the relevant Final Terms, the Ordinary Senior Notes. The terms and conditions of the Subordinated Notes, the Senior Non Preferred Notes and, to the extent so specified in the relevant Final Terms, the Ordinary Senior Notes do not provide for any events of default, except in the case that an order is made by any competent court commencing insolvency proceedings against the Issuer or for its insolvency, winding up or liquidation. Accordingly, in the event that any payment on the Subordinated Notes, the Senior Non Preferred Notes or, if applicable, the Ordinary Senior Notes, as the case may be, is not made when due, each Holder will have a claim only for amounts then due and payable on their Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes and, as provided for in the Terms and Conditions, a right to institute proceedings for the insolvency, winding up or liquidation of the Issuer.

As mentioned above, the Issuer may be subject to a procedure of early intervention or resolution pursuant to the BRRD as implemented through Law 11/2015 and Royal Decree 1012/2015. Pursuant to Law 11/2015 the adoption of any early intervention or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 11/2015.

Any enforcement by a Holder of its rights under the Notes upon the occurrence of an event of default following the adoption of any early intervention or any resolution procedure will, therefore, be subject to the relevant provisions of the BRRD, Law 11/2015 and Royal Decree 1012/2015 in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to above (see "*—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*"). Any claims on the occurrence of an event of default will consequently be limited by the application of any measures pursuant to the provisions of Law 11/2015 and Royal Decree 1012/2015. There can be no assurance that the taking of any such action would not adversely affect the rights of Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and the enforcement by a Holder of any rights it may otherwise have on the occurrence of any event of default may be limited in these circumstances.

The Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes may be redeemed prior to maturity upon the occurrence of a Capital Disqualification Event or a TLAC/MREL Disqualification Event

The Issuer may, at its option, redeem all, but not some only, of the Subordinated Notes, the Senior Non Preferred Notes or certain Ordinary Senior Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms, as applicable, at any time at their early redemption amount, together with accrued but unpaid interest up to (but excluding) the date of redemption, upon or following the occurrence of a Capital Disqualification Event (in the case of Tier 2 Subordinated Notes only) or a TLAC/MREL Disqualification Event (as these terms are defined in the Terms and Conditions). See also "*The Notes may be redeemed prior to maturity at the option of the Issuer or for taxation reasons*" above.

The early redemption of the Subordinated Notes, the Senior Non Preferred Notes or the Ordinary Senior Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms upon the occurrence of a Capital Disqualification Event or a TLAC/MREL Disqualification Event, as applicable, will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefore under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. Redemption of Tier 2 Subordinated Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to a TLAC/MREL Disqualification Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations.

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

(i) on or before such redemption, the institution replaces the instruments with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the institution has demonstrated to the satisfaction of the competent authority that the own funds and eligible liabilities of the institution would, following such redemption, exceed the requirements laid down in the CRR, the CRD IV Directive and the BRRD by a margin that the competent authority considers necessary; or

(iii) the institution has demonstrated to the satisfaction of the resolution authority that the partial or full replacement of eligible liabilities with own funds notes is necessary to ensure compliance with the own funds requirements laid down in CRR and in CRD IV for continuing authorisation

It is not possible to predict whether or not the Subordinated Notes, the Senior Non Preferred Notes or certain Ordinary Senior Notes will or may qualify as TLAC/MREL-Eligible Notes (see *"–The qualification of the Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes as TLAC/MREL-Eligible Notes is subject to uncertainty"*) or if any further change in the laws or regulations of Spain, Applicable Banking Regulations, or in the application or official interpretation thereof, or any of the events referred to above, will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Subordinated Notes, the Senior Non Preferred Notes or certain Ordinary Senior Notes, and if so whether or not the Issuer will elect to exercise such option to redeem such Notes or any prior consent of the Regulator and/or the Relevant Resolution Authority, if required, will be given.

Early redemption features (including any redemption of the Notes pursuant to Condition 5.03 or pursuant to Condition 5.04) are likely to limit the market value of the Notes. During any period when the Issuer may redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or at any time where there is any actual increase in the likelihood that the Issuer will be able to redeem the Notes early. 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 generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The qualification of the Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes as TLAC/MREL-Eligible Notes is subject to uncertainty

The Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes may be intended to be TLAC/MREL-Eligible Notes (as defined in the Terms and Conditions) under the Applicable Banking Regulations. However, the full implementation in the Kingdom of Spain of the EU Banking Reforms is pending and there is uncertainty as to how they will be interpreted and applied and the Issuer cannot provide any assurance that the Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes will or may be (or thereafter remain) TLAC/MREL-Eligible Notes.

If for any reasons the Subordinated Notes, the Senior Non Preferred Notes and the Ordinary Senior Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms are not TLAC/MREL-Eligible Notes or if they initially are TLAC/MREL-Eligible Notes and subsequently become ineligible due to a change in Spanish law or Applicable Banking Regulations, then a TLAC/MREL Disqualification Event (as defined in the Terms and Conditions) will occur, with the consequences indicated

in the Terms and Conditions. See "*—The Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes may be redeemed prior to maturity upon the occurrence of a Capital Disqualification Event or a TLAC/MREL Disqualification Event*" and "*—The Notes may be subject to substitution and/or variation without Holder consent*".

The Notes may be subject to substitution and/or variation without Holder consent

Subject as provided herein, in particular to the provisions of Condition 8, if a Capital Disqualification Event, a TLAC/MREL Disqualification Event or a circumstance giving rise to the right to redeem the Notes early for taxation reasons, occurs, the Issuer may, at its option, and without the consent or approval of the Holders, elect either (i) to substitute all (but not some only) of the Notes or (ii) to modify the terms of all (but not some only) of such Notes, in each case so that they are substituted for, or varied to, become, or remain Qualifying Notes. While Qualifying Notes generally must contain terms that are materially no less favourable to Holders as the original terms of the Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favourable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms.

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

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

The Terms and Conditions provide that, if so specified in the Final Terms, Holders of Notes waive any set-off, netting or compensation rights against any right, claim, or liability the Issuer has, may have or acquire against any Holder, directly or indirectly, howsoever arising. As a result, Holders will not at any time be entitled to set-off the Issuer's obligations under the Notes against obligations owed by them to the Issuer.

Potential conflicts of interest between the investor and the Determination Agent

Potential conflicts of interest may arise between the investor and the Determination Agent, if any, for a Tranche of Notes and the Holders (including where a Dealer acts as a determination agent), including with respect to certain determinations that such Determination Agent may make pursuant to the Terms and Conditions of the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, 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. Such Global Notes will be deposited with a Common Depositary or Common Safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the 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 Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the Common Depositary or paying agent (in the case of a NGN) for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the 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, (i) in the case of English law Notes, upon their rights under the Deed of Covenant dated 17 June 2021 (the "**Deed of Covenant**") and, (ii) in the case of Spanish law Notes, under the provisions of the Global Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. 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 CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the relevant Final Terms.

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 Base Prospectus 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. Such reform of Benchmarks includes the Benchmark Regulation (Regulation (EU) 2016/1011) which was published in the official journal on 29 June 2016.

On 5 March 2021, the FCA announced the future cessation or loss of representativeness of all 35 LIBOR benchmark settings currently published by ICE Benchmark Administration Limited by the end of 2021. In addition, the European Money Market Institute (EMMI) announced the discontinuation of EONIA (Euro Overnight Index Average) after 3 January 2022 and that from 2 October 2019 until its total discontinuation it will be replaced by the €STR plus a spread of 8.5 basis points.

The EU Benchmarks Regulation and Regulation (EU) 2016/1011 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (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).

In addition, in order to accelerate the adoption of SONIA as a reference rate in sterling markets, the Bank of England published on 26 February 2020 a Discussion Paper entitled "Supporting Risk-Free Rate transition through the provision of compounded SONIA" whereby it sought views from sterling market participants on (i) the Bank of England's intention to publish a daily SONIA Compounded Index and its consideration whether to publish a set of compounded SONIA period averages. This is an approach similar to that already taken by the Federal Reserve Bank of New York in respect of SOFR. In February 2020, the Federal Reserve Bank of New York, announced that it would publish 30-, 90-, and 180-day SOFR averages as well as a SOFR index from March 2020 in order to support a successful transition from USD LIBOR. There is no guarantee that the Bank of England and/or the Federal Reserve Bank of New York will not withdraw, modify or amend any published SONIA index and/or SOFR averages or index data, or that such index or averages will be widely used in the marketplace. In particular, the Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA (in which case the fallback methods of determining the interest rate on Notes linked to SONIA will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA.

A screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this. Interest on Floating Rate Notes which reference a backwards-looking risk free rate are only capable of being determined at the end of the relevant observation period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in such Floating Rate Notes to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Floating Rate Notes become due and payable, the Rate of Interest payable shall be determined on the date such Floating Rate Notes became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

Changes in the manner of administration of any Benchmark, as a result of the EU Benchmarks Regulation or UK Benchmarks Regulation or otherwise, could require an adjustment to the Terms and Conditions, or result in other consequences, in respect of any Notes linked to such Benchmark.

Furthermore, it is not possible to predict whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than they have done in the past and may have other consequences which cannot be predicted.

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.

In relation to Reset Notes and, where Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined, in relation to Floating Rate Notes or CMS-Linked Notes, the Terms and Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Terms and Conditions provide for the Rate of Interest to be determined by the Determination Agent (in the case of the Reset Notes) or the Determination Agent (in the case of the Floating Rate Notes or CMS-Linked Notes) by reference to quotations from banks communicated to the Determination Agent or the Determination Agent, as the case may be.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Reset Determination Date (if any) or if there is no such previous Reset Determination Date, the Mid-Swap Rate which last appeared on the Relevant Screen Page, before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Reset Notes, the Floating Rate Notes and CMS-Linked Notes.

If a Benchmark Event (as defined in Condition 4G.07) (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 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 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 referenncing 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 Reset Determination Date or Interest Determination Date, as the case may be, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable in respect of the last preceding Reset Period or Interest Period, respectively, 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 Reset Period or 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 Reset Determination Date or Interest Determination Date, respectively, and/or to determine a Successor Rate or Alternative Rate to apply in respect of the next succeeding and any subsequent Reset Periods or Interest Periods, respectively, as necessary.

Applying the Initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Reset Determination Date or 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 Reset Period or Interest Period before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Reset Notes, Floating Rate Notes or CMS-Linked Notes, as the case may be, becoming, in effect, fixed rate Notes.

No Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Subordinated Notes or TLAC/MREL-Eligible Notes for the purposes of the Applicable Banking Regulations.

In the case of Senior Non Preferred Notes only, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity date of the Notes, rather than the relevant Maturity Date.

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 Conditions 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 or CMS-Linked Notes, the Terms and Conditions 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 or CMS-Linked Notes, as the case may be.

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 SONIA and SOFR 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 SONIA or SOFR the Rate of Interest will be determined by reference to Compounded Daily SONIA, Weighted Average SONIA, Compounded Daily SOFR (including on the basis of the SOFR Index published on the NY Federal Reserve's Website) or SOFR Arithmetic Mean. In each case such rate will differ from the relevant 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, SONIA and SOFR may behave materially differently as interest reference rates for Notes issued under the Programme.

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

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

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

Furthermore, the Rate of Interest on Notes which reference SONIA or SOFR 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 under Condition 6, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

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

The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR

The Bank of England (or a successor), as administrator of SONIA, and the Federal Reserve Bank of New York (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case 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 SONIA or SOFR.

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 Notes that pay a floating rate of interest referencing SOFR.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of the payable interest payments.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Zero Coupon Notes

The Issuer may issue Zero Coupon Instruments. Such Instruments will bear no interest and an investor will receive no return on the Instruments until redemption. Any investors holding these Instruments will be subject to the risk that the amortised yield in respect of the Instruments may be less than zero (negative yield). Therefore, if an investor acquires an instrument over 100% of its principal amount, it could obtain a negative yield of its investment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount (such as a Zero Coupon Note) 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 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.

Risks relating to Subordinated Notes and Senior Non Preferred Notes

The risks factors relating to Subordinated Notes and Senior Non Preferred Notes described below should be read together with the general risk factors relating to the Notes described above.

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

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

In the case of any exercise of the Spanish Bail-In Power by the Relevant Resolution Authority, the sequence of any resulting write-down or conversion of eligible Notes under Article 48 of the BRRD and Article 48 of Law 11/2015 provides for the principal amount of Tier 2 Notes (such as the Tier 2 Subordinated Notes if they qualify as such as it is expected) to be written-down or converted into equity or other securities or obligations prior to the principal amount of subordinated debt that is not additional Tier 1 capital instruments or Tier 2 Notes (which is expected to be the case of Subordinated Notes) in accordance with the hierarchy of claims provided in the Insolvency Law and for the latter to be written-down or converted into equity or other securities or obligations prior to any write-down or conversion of the principal amount or outstanding amount of any other eligible liabilities (such as the Ordinary Senior Notes and Senior Non Preferred Notes), in accordance with the hierarchy of claims provided in the applicable insolvency legislation. Subordinated Notes which constitute Tier 2 Notes may be subject to Non-Viability Loss Absorption, which may be imposed prior to or in combination with any exercise of the Spanish Bail-In Power. See "*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*".

In the event of insolvency, after payment in full of unsubordinated claims, but before distributions to shareholders, under Article 281 of the Insolvency Law read in conjunction with Additional Provision 14.3º.1º of Law 11/2015, as amended by RDL 7/2021 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 (including those that do not qualify as additional Tier 1 capital instruments or Tier 2 Notes) (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) contractually subordinated liabilities in respect of instruments that qualify as Tier 2 capital, and (ix) contractually subordinated liabilities in respect of instruments that qualify as Additional Tier 1.

In addition, second paragraph of Article 48(7) of BRRD, as implemented in Spain through Additional Provision 14.3 of Law 11/2015, clarified that if an instrument is only partly recognised as an own funds instrument, the whole instrument shall be treated in insolvency as a claim resulting from an own funds instrument and shall rank lower than any claim that does not result from an own funds instrument as set out in limbs (viii) and (ix) above. Therefore, instruments being fully disqualified as own funds instruments in the future would cease to be treated as claims resulting from own funds instruments in insolvency and would, consequently, improve their ranking vis-à-vis any claim that results from an own funds instrument (such as the Tier 2 Subordinated Notes for so long as these qualify as Tier 2 instruments).

The Senior Non Preferred Notes are senior non preferred obligations and are junior to certain obligations

The Senior Non Preferred Notes constitute direct, unconditional, unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer in accordance with Additional

Provision 14.2º of Law 11/2015, as amended by the Royal Decree-Law 11/2017 ("**RDL 11/2017**"). Upon the insolvency of the Issuer, the payment obligations of the Issuer in respect of principal under the Senior Non Preferred Notes rank, subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), (a) *pari passu* among themselves and with any Senior Non Preferred Liabilities (as defined in the Terms and Conditions), (b) junior to the Senior Higher Priority Liabilities (as defined in the Terms and Conditions) (and, accordingly, upon the insolvency of the Issuer, the claims in respect of Senior Non Preferred Notes will be met after payment in full of the Senior Higher Priority Liabilities (including any excluded liabilities under article 72(a)2 of CRR II (as defined below)) and (c) senior to any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law. In addition, the payment obligations of the Issuer in respect of interests accrued but unpaid under the Senior Non Preferred Notes as of the commencement of any insolvency procedure in respect of the Issuer will constitute subordinated claims (*créditos subordinados*) ranking in accordance with Article 281.1.3º of the Insolvency Law. No further interest shall accrue on any Notes from the date of the declaration of insolvency of the Issuer.

The Issuer's Senior Higher Priority Liabilities would include, among other liabilities, its deposits obligations (other than the deposit obligations qualifying as preferred liabilities (*créditos con privilegio general*) under Additional Provision 14.1º of Law 11/2015 which will rank senior), its obligations in respect of derivatives and other financial contracts and its unsubordinated and unsecured debt securities other than the Senior Non Preferred Liabilities. If the Issuer were wound up, liquidated or dissolved, the liquidator would apply the assets which are available to satisfy all claims in respect of its unsubordinated and unsecured liabilities, first to satisfy claims of all other creditors ranking ahead of Holders, including holders of Senior Higher Priority Liabilities, and then to satisfy claims in respect of principal of the Senior Non Preferred Notes (and other Senior Non Preferred Liabilities). If the Issuer does not have sufficient assets to settle the claims of higher ranking creditors in full, the claims of the Holders under the Senior Non Preferred Notes will not be satisfied. Holders will share equally in any distribution of assets available to satisfy all claims in respect of its unsubordinated and unsecured liabilities with the creditors under any other senior parity liabilities if the Issuer does not have sufficient funds to make full payment to all of them.

In addition, if the Issuer enters into resolution, its eligible liabilities (including the Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with TLAC/MREL) may be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments, and additionally , pursuant to BRRD II and the SRM Regulation II, certain internal eligible liabilities and instruments may be subject to any Non-Viability Loss Absorption. The sequence of any resulting write-down or conversion of eligible instruments under Article 48 of the BRRD and Article 48 of Law 11/2015 provides for claims to be written-down or converted into equity in accordance with the hierarchy of claims provided in the applicable insolvency legislation. Because the Senior Non Preferred Notes are senior non preferred liabilities (*créditos ordinarios no preferentes*) the Issuer expects them to be written down or converted in full after any subordinated obligations of the Issuer under article 281 of the Insolvency Law and before any of the Issuer's Senior Higher Priority Liabilities are written down or converted. The Issuer expects that upon insolvency, the payment obligations in respect of principal under the Senior Non Preferred Notes would rank *pari passu* with any obligations in respect of principal of any Senior Non Preferred Liabilities or any other securities with the same ranking issued by the Issuer. See "*—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*".

As a consequence, Holders of the Senior Non Preferred Notes would bear significantly more risk than creditors of the Issuer's Senior Higher Priority Liabilities and could lose all or a significant part of their investment if the Issuer were to become (i) subject to resolution under the BRRD (as implemented through Law 11/2015 and Royal Decree 1012/2015) and the Senior Non Preferred Notes become subject to the application of the bail-in or (ii) insolvent.

Senior Non Preferred Notes are new types of instruments for which there is little trading history

On 25 June 2017, RDL 11/2017 entered into force amending Additional Provision 14 of Law 11/2015, which paragraph 2 provides for the legal recognition of unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) in Spain. Although certain Spanish financial institutions have issued senior non-preferred securities or securities with similar features in the past, there is little trading history for securities of Spanish financial institutions with this ranking.

Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with senior non preferred securities. The credit ratings assigned to senior non preferred securities such as the Senior Non Preferred Notes may change as the rating agencies refine their approaches and the value of such securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of senior non preferred securities such as the Senior Non Preferred Notes will be lower than those expected by investors at the time of issuance of the Senior Non Preferred Notes. If so, Holders may incur losses in respect of their investments in the Senior Non Preferred Notes.

INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the CBI and shall be incorporated in, and to form part of, this Base Prospectus:

1. an English language translation of the audited consolidated financial statements of the Issuer, prepared under IFRS-EU, including the independent auditor's reports thereon and the notes thereto and the Director's reports, in each case as of and for the years ended 31 December 2020 and 31 December 2019.

   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 2020 and 2019. 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 Base Prospectus. Accordingly, the Directors' reports should be read together with the other sections of this Base Prospectus. Any information contained in the Directors' reports is deemed to be modified or superseded by any information contained elsewhere in this Base Prospectus that is subsequent to or inconsistent with it. Furthermore, the Directors' reports include certain forward-looking statements that are subject to inherent uncertainty. Accordingly, investors are cautioned not to rely upon the information contained in such Directors' reports.

2. the terms and conditions set out on pages 77 to 142 of the base prospectus dated 18 June 2020 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://www.santanderconsumer.com/wp-content/uploads/2021/02/EMTN-Programme-2020-1.pdf;

3. the terms and conditions set out on pages 96 to 160 of the base prospectus dated 18 June 2019 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://www.santanderconsumer.com/wp-content/uploads/2019/06/SCF-EMTN-2019-Base-Prospectus.pdf;

4. the terms and conditions set out on pages 90 to 139 of the base prospectus dated 18 June 2018 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_f582da83-1833-4d65-85dd-c3d6d0e4eea9.PDF ;

5. the terms and conditions set out on pages 80 to 111 of the base prospectus dated 15 June 2017 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Final+Base+Prospectus_46b2fe2d-8ad6-4def-8e59-9e0efc4c70cb.PDF

6. the terms and conditions set out on pages 39 to 60 of the base prospectus dated 16 June 2016 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_b7439255-cbaa-4315-878c-c5f2ac1d5627.pdf ;

7. the terms and conditions set out on pages 37 to 58 of the base prospectus dated 12 June 2015 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_7eb247ab-c279-4f29-95a0-768be80fc625.PDF ;

8. the terms and conditions set out on pages 34 to 56 of the base prospectus dated 24 June 2014 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_fb4e21b0-3db8-4b97-b2fa-6fd84420735a.PDF ; and

9. the terms and conditions set out on pages 51 to 81 of the base prospectus dated 26 June 2013 under the heading "*Terms and Conditions of the Notes*" available for inspection at https://ise-prodnr-eu-

west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_6a634cb6-7865-4815-bdc6-2db2c265f912.PDF.

The tables below set out the relevant page references for the English language balance sheet, income statement, cash-flow statement, explanatory notes and the independent auditor's report of the Issuer for the years ended 31 December 2020 (the "**2020 Audited Consolidated Financial Statements**") and 31 December 2019 (the "**2019 Audited Consolidated Financial Statements**"), as set out in the financial statements for the years ended 31 December 2020 and 31 December 2019:

2020 Audited Consolidated Financial Statements	**Page reference** *(pdf document page numbers)*
Independent auditor's report on the consolidated annual accounts	2-9
Consolidated Balance Sheets	11-12
Consolidated Income Statements	13
Consolidated Statements of Recognised Income and Expenses	14
Consolidated Statements of Changes in Equity	15-16
Consolidated Statements of Cash Flows	17
Notes to the Audited Consolidated Financial Statements	18-245
Directors' report	265-318

2019 Audited Consolidated Financial Statements	**Page reference** *(pdf document page numbers)*
Consolidated Balance Sheets	9-10
Consolidated Income Statements	11
Consolidated Statements of Recognised Income and Expense	12
Consolidated Statements of Changes in Equity	13-14
Consolidated Statements of Cash Flows	15
Notes to the Audited Consolidated Financial Statements	16-235
Independent auditor's report on the consolidated annual accounts	2-8
Directors' report	256-298

The English language translation of the 2020 Audited Consolidated Financial Statements of the Issuer (including the independent auditor's reports thereon and the notes thereto and the Director's reports) is available on the following:

https://www.santanderconsumer.com/wp-content/uploads/2021/04/SCF-Consolidated-AR-and-FS-English-2020-DEF.pdf

The English language translation of the 2019 Audited Consolidated Financial Statements of the Issuer (including the independent auditor's reports thereon and the notes thereto and the Director's reports) is available on the following:

https://www.santanderconsumer.com/wp-content/uploads/2021/02/Annual-Financial-Report-2019.pdf

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may also be inspected, free of charge, at the specified offices of the Issuer and the Issue and Paying Agent. Copies of such documents are also available on the website of Euronext Dublin.

Any information not listed in the cross reference tables set out above but which is included in the documents from which the information incorporated by reference has been derived, is either not relevant or covered elsewhere in this Base Prospectus.

Information incorporated by reference that is not included in the cross-reference list above, is not required by the relevant schedules of the prospectus regulations.

The information on the corporate website of the Issuer (https://www.santanderconsumer.es) does not form part of this Base Prospectus unless that information is explicitly incorporated by reference into this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the relevant Notes.

FORM OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), with or without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each 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 Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and 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 Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (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.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, with or without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Issue and Paying Agent; and

(ii) receipt by the Issue and Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided**, **however**, **that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg 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 business or (b) any of the circumstances described in Condition 6 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issue and Paying Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Issue and Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg 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 business or (b) any of the circumstances described in Condition 6 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issue and Paying Agent within 30 days of the bearer requesting such exchange.

Exchanges of Notes and Specified Denominations

The exchange upon expiry of a period of notice or at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Bearer Global Notes exchangeable for Definitive Notes.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

> "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

USE OF PROCEEDS

An amount equivalent to the net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the Issuer. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

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 harmonized 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 ("**SSM**") and the Single Resolution Mechanism ("**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. In accordance with the SSM Regulation, the ECB fully assumed its new supervisory responsibilities within the SSM, in particular direct supervision of the largest European banks (including the Consumer Group), on 4 November 2014.

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 115 largest financial institutions (as of 1 March 2021), 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 new Single Resolution Board ("**SRB**"), which is the central decision-making body of the SRM, started operating on 1 January 2015 and 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 remit, 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, composed of contributions from credit institutions and certain investment firms in the participating Member States within the Banking Union in accordance with the methodology approved by the Council of the EU. The SRF will be gradually built up during the first eight years (2016-2023) and is intended to reach the target level of at least 1 per cent. of the amount of covered deposits of all credit institutions within the Banking Union by 31 December 2023. The SRF shall not be used to absorb the losses of an institution or to recapitalize an institution. In exceptional circumstances, where an eligible liability or class of liabilities is excluded or partially excluded from the write-down or conversion powers, a contribution from the SRF may be made to the institution under resolution under two key conditions, namely: 1) bail-in of at least 8 per cent. of the total liabilities: losses totalling not less than 8 per cent. of the total liabilities including own funds of the institution under resolution have already been absorbed by shareholders after counting for incurred losses, the holders of relevant capital instruments and other eligible

liabilities through write-down, conversion or otherwise; and 2) contribution from the SRF of maximum 5 per cent. of the total liabilities: the SRF contribution does not exceed 5 per cent. of the total liabilities including own funds of the institution under resolution.

A single deposit guarantee scheme is still needed in order to complete such a banking union, which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders in order 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 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 Group. These regulations, if adopted, may also cause the 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) ("**CRR**") and the Capital Requirements Directive (Directive 2013/36/EU) ("**CRD IV**"), 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, Law 10/2014, Royal Decree 84/2015, Bank of Spain Circular 2/2014 and Bank of Spain Circular 2/2016.

On 27 June 2019, a comprehensive package of reforms amending CRR, CRD IV, European Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") and Regulation (EU) No 1093/2010 (the "**SRM Regulation**") came into force: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**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) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 ("**CRR 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**"). However, most of the provisions of CRR II are not applicable until 28 June 2021 and CRD V and BRRD II have only been partially transposed into Spanish law through RDL 7/2021 amending Law 10/2014 and Law 11/2015, respectively. Despite that RDL 7/2021 is generally enforceable since 29 April 2021, the Spanish Parliament decided on 19 May 2021 to process it as a Bill and so RDL 7/2021 provisions may be subject to changes. Furthermore, full implementation of CRD V and BRRD II still requires approval of the relevant amendments to Royal Decree 84/2015, Royal Decree 1012/2015 and certain Bank of Spain Circulars, so it is uncertain how such amendments will affect the Bank or the Holders (as defined in the Conditions). In addition, there is also uncertainty as to how the EU Banking Reforms will be implemented and applied by the relevant authorities.

In addition to the above, on 26 January 2021, the European Commission launched a targeted public consultation on technical aspects on a new review of BRRD ("**BRRD III**"), the SRM Regulation ("**SRM III**"), and Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes ("**DGSD II**"). The consultation was open until 20 April 2021. The targeted consultation is split into two main sections: a section covering the general objectives of the review focus, and a section

seeking technical feedback on stakeholders' experience with the current framework and the need for changes in the future framework, notably on (i) resolution, liquidation and other available measures to handle banking crises, (ii) level of harmonisation of creditor hierarchy in the EU and impact on no creditor worse off principle, and (iii) depositor insurance. Legislative proposals for BRRD III, SRM III and DGSD II are to be tabled in Q4 2021.

The EU Banking Reforms cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt that should only be bailed-in after junior ranking instruments but before other senior liabilities, changes to the definitions of Tier 2 and Additional Tier 1 instruments, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above.

Additionally, with regard 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 as regards the ranking of unsecured debt instruments in insolvency hierarchy was published in the Official Journal of the European Union which 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.

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 of 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 G-SIIs buffer requiring additional CET1 of between 1% and 3.5% of risk weighted assets; (4) the other systemically important institutions buffer, which may be as much as 2% 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 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 2020 and, thus, the Issuer will not be required to maintain a D-SII buffer during this period.

(d) The percentages of the institution-specific countercyclical buffer ("**CCB**") are revised each quarter. The Bank of Spain agreed in December 2020 to maintain the institution-specific CCB applicable to credit exposures in Spain at 0% for the first quarter of 2021 (while percentages are to be revised each quarter, the Bank of Spain anticipated also the non-activation of the counter- cyclical capital buffer over a prolonged period, at least until the main economic and financial effects arising from the COVID-19 outbreak have been dispelled). 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[2].

Moreover, Article 104 of the CRD IV, as implemented in Spain by Article 68 of Law 10/2014 and as amended by Royal Decree Law 7/2021 (whereby CRD V and BRRD II are partially transposed in Spain) 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. 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.

The EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of its SREP (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 (and until CRD V is fully implemented in Spain), 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. Under article 104(a) of CRD V, EU banks would have been directly allowed to meet P2R with these minimum proportions of CET1 capital and tier 1 capital from January 2021. However, on 12 March 2020 in reaction to the COVID-19 outbreak the ECB announced measures expected to provide capital relief to banks in support of the economy. These measures include the permission to (i) operate temporarily below the level of capital defined by P2G, the "capital conservation buffer" and the liquidity coverage ratio ("**LCR**") and (ii) bring forward the use of capital instruments that do not qualify as CET1 capital (for example Additional Tier 1 Notes and Tier 2 instruments) to meet P2R. Article 69 of Law 10/2014 which implements Article 104(a) of CRD Directive into Spanish law does not include these requirements.

In addition to the recent statements on using flexibility within accounting and prudential rules, such as those made by the Basel Committee, the EBA and the ECB, amongst others, the European Commission proposed a few targeted "quick fix" amendments to the EU's banking prudential rules in order to maximise the ability of banks to lend and absorb losses related to COVID-19. On 28 June 2020, Regulation 2020/873 of the European Parliament and of the Council of 24 June amending CRR and CRR II as regards certain adjustments in response to the COVID-19 entered into force setting out exceptional temporary measures to alleviate the immediate impact of COVID-19-related developments, by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favourably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer, by setting a temporary prudential filter to mitigate the considerable negative impact of the volatility in central government debt markets during the COVID-19 pandemic on institutions, by modifying the way of excluding certain exposures from the calculation of the leverage ratio, by advancing the date of application of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects and by aligning the minimum coverage requirements for NPLs that benefit from public guarantees with those that benefit from guarantees granted by official export credit agencies.

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[2] For more information, please visit: https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/20/presbe2020_102en.pdf

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 minimum Pillar 1 capital requirement and to the additional Pillar 2 capital requirement. 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" or the Pillar 2 capital requirements described above, will be prohibited from paying any "**Discretionary Payments**" (which are defined broadly by the CRD IV as payments relating to CET1, variable remuneration and payments on Additional Tier 1 capital instruments), until it calculates its applicable restrictions and communicates them to the regulator and, once completed, such institution will be subject to restricted Discretionary Payments. The restrictions will 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 will 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 the EU Banking Reforms, 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) and it also allows the P2R to be partially covered with Additional Tier 1 and Tier 2 capital instruments – the application of this measure having been brought forward in reaction to COVID-19 pandemic, as explained above.

In addition to the above, the CRR also includes a requirement for institutions to calculate a leverage ratio ("**LR**"), report it to their supervisors and to disclose it publicly from 1 January 2015 onwards. More precisely, Article 429 of the CRR requires institutions to calculate their LR in accordance with the methodology laid down in that article. In January 2014, the Basel Committee finalised a definition of how the LR should be prepared and set an indicative benchmark (namely 3% of Tier 1 capital). Such 3% Tier 1 LR has been tested during a monitoring period until the end of 2017 although the Basel Committee had already proposed the final calibration at 3% Tier 1 LR. Accordingly, the CRR (as amended by the EU Banking Reforms) contains a binding 3% Tier 1 LR requirement, and which institutions must meet in addition and separately to their risk-based requirements from June 2021 onwards. Moreover, the EU Banking Reforms include a leverage ratio buffer for G-SIIs to be met with Tier 1 capital and set at 50% of the applicable risk weighted G-SIIs buffer. Pursuant to Article 141b of the CRD Directive, as implemented in Spain by Article 48 ter 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 at the same time the leverage ratio buffer under Article 92.1a of CRR and the "combined buffer requirement".

MREL requirements

On 9 November 2015, the Financial Stability Board (the "**FSB**") published its final principles and term sheet containing an international standard to enhance the loss absorbing capacity of G-SIIs. The final standard consists of an elaboration of the principles on loss absorbing and recapitalisation capacity of G-SIIs in resolution and a term sheet setting out a proposal for the implementation of these proposals in the form of an internationally agreed standard on total loss absorbing capacity ("**TLAC**") for G-SIIs. Once implemented in the relevant jurisdictions, these principles and terms will form a new minimum TLAC standard for G-SIIs, and in the case of G-SIIs with more than one resolution group, each resolution group within the G-SII. The FSB did a review of the technical implementation of the TLAC principles and term sheet in June 2019. The TLAC principles and term sheet established a minimum TLAC requirement to be determined individually for each G-SII at the greater of (a) 16% of risk weighted assets as of 1 January 2019 and 18% as of 1 January 2022, and (b) 6% of the Basel III Tier 1 leverage ratio exposure measure as

of 1 January 2019, and 6.75% as of 1 January 2022. Under the FSB TLAC standard, capital buffers stack on top of the 16% risk weighted assets TLAC requirement.

Furthermore, Article 45 of BRRD provides that Member States shall ensure that institutions meet, at all times, the MREL. The MREL shall be calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the institution. The EBA was in charge of drafting regulatory technical standards on the criteria for determining MREL (the "**MREL RTS**"). On 3 July 2015 the EBA published the final draft MREL RTS. In application of Article 45(2) of the BRRD, the current version of the MREL RTS is set out in a Commission Delegated Regulation (EU) No. 2016/1450 that was adopted by the Commission on 23 May 2016 (the "**MREL Delegated Regulation**").

The MREL requirement was scheduled to come into force by January 2016. However, article 8 of the MREL Delegated Regulation gave discretion to resolution authorities to determine appropriate transitional periods to each institution.

The European Commission committed to review the existing MREL rules with a view to provide full consistency with the TLAC standard by considering the findings of a report that the EBA was required to provide to the European Commission under Article 45(19) of the BRRD. On 14 December 2016, the EBA published its final report on the implementation and design of the MREL framework where it stated that, although there was no need to change the key principles underlying the MREL Delegated Regulation, certain changes would be necessary with a view to improve the technical soundness of the MREL framework and implement the TLAC standard as an integral component of the MREL framework. On 16 January 2019, the SRB published its policy statement on MREL for the second wave of resolution plans of the 2018 cycle, which will serve as a basis for setting binding MREL targets.

One of the main objectives of the EU Banking Reforms is to implement the TLAC standard and to integrate the TLAC requirement into the general MREL rules (the "**TLAC/MREL Requirements**") thereby avoiding duplication from the application of two parallel requirements. As mentioned above, although TLAC and MREL pursue the same regulatory objective, there are, nevertheless, some differences between them in the way they are constructed. The EU Banking Reforms integrate the TLAC standard into the existing MREL rules and to ensure that both requirements are met with largely similar Notes, with the exception of the subordination requirement, which will be partially institution-specific and determined by the resolution authority. Under these EU Banking Reforms, resolution entities and, potentially, subsidiaries which are credit institutions but not resolution entities themselves would continue to be subject to an institution-specific MREL requirement, which may be higher than the Pillar 1 TLAC/MREL Requirements for G-SIIs contained in the EU Banking Reforms.

Furthermore, Article 16.a) of BRRD, as implemented in Spain by Article 16 bis of Law 11/2015, better clarifies the stacking order between the "combined buffer requirement" and the MREL requirement. Pursuant to this new provision, a resolution authority will have the power to prohibit an entity from making Discretionary Payments above the Maximum Distributable Amount (calculated in accordance with paragraph (4) of such Article 16.a) of the BRRD II, to be implemented in Spain) where it meets the "combined buffer requirement" but fails to meet that "combined buffer requirement" when considered in addition to the MREL requirements (the "**MREL-Maximum Distributable Amount**"). Said Article 16.a) of the BRRD (paragraph 3 of Article 16 bis of Law 11/2015) includes a potential nine-month grace period whereby the resolution authority will assess on a monthly basis whether to exercise its powers under the MREL-Maximum Distributable Amount before such resolution authority is compelled to exercise its power under the provisions (subject to certain limited exceptions).

In addition, the Issuer received on 27 November 2019 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 sub-consolidated level, as determined by the Single Resolution Board ("**SRB**"). This MREL requirement has been set at 14.98% of total liabilities and own funds ("**TLOF**"), which as a reference of risk weighted assets at 28 November 2018 would be 22.35%, and shall be met all times from 27 November 2019 onwards. 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.

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, S.A., 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.

Basel III post-crisis regulatory reform agenda

On 7 December 2017, the Basel Committee's oversight body, the Banco Santander Group of Central Bank Governors and Heads of Supervision ("**GHOS**") published the finalisation of the Basel III post-crisis regulatory reform agenda. This review of the regulatory framework covers credit, operational and credit valuation adjustment ("**CVA**") risks, introduces a floor to the consumption of capital by internal ratings-based methods ("**IRB**") and the revision of the calculation of the leverage ratio. The main features of the reform are: (i) a revised standard method for credit risk, which will improve the soundness and sensitivity to risk of the current method; (ii) modifications to the IRB methods for credit risk, including input floors to ensure a minimum level of conservatism in model parameters and limitations to its use for portfolios with low levels of non-compliance; (iii) regarding the CVA risk, and in connection with the above, the removal of any internally modelled method and the inclusion of a standardised and basic method; (iv) regarding the operations risk, the revision of the standard method, which will replace the current standard methods and the advanced measurement approaches (AMA); (v) the introduction of a leverage ratio buffer for G-SIIs; and (vi) regarding capital consumption, it establishes a minimum limit on the aggregate results (output floor), which prevents the risk weighted assets of the banks generated by internal models from being lower than the 72.5% of the risk weighted assets that are calculated with the standard methods of the Basel III framework. In August 2019 the EBA advised the European Commission on the introduction of the output floor and concluded that the revised framework should be implemented by using the floored risk weighted assets as a basis for all the capital layers, including the systemic risk buffer and the Pillar 2 capital requirement.

The GHOS have extended the implementation of the revised minimum capital requirements for market risk until January 2023, to coincide with the implementation of the reviews of credit, operational and CVA risks. More recently, on 27 March 2020, the GHOS informed that a set of measures to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the coronavirus disease (COVID-19) on the global banking system have been endorsed. Among such measures, the implementation date of the revised market risk framework was deferred by one year to 1 January 2023.

In reaction to the COVID-19 outbreak, on 12 March 2020 the ECB announced temporary measures expected to provide capital relief to banks in support of the economy. These measures include the permission to (i) operate temporarily below the level of capital defined by "Pillar 2" capital guidance, the "capital conservation buffer" and the LCR and (ii) use capital instruments that do not qualify as CET1 (for example Additional Tier 1 instruments and Tier 2 instruments) to meet "Pillar 2" capital requirements. Also on that date, the EBA announced its decision to postpone the EU-wide stress test exercise to 2021 to allow banks to prioritise operational continuity and has announced that flexibility will guide supervisory approaches. In addition, on 28 April 2020 the EU Commission adopted a banking package proposing a few amendments to the EU's banking prudential rules (including adapting the timeline of the application of international accounting standards on banks' capital or treating more favourably public guarantees granted during this crisis) in order to maximise the ability of banks to lend and absorb losses related to COVID-19. The Commission also proposed to advance the date of application of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects.

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 Single Resolution Mechanism ("**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 the entity's risk profile («risk-adjusted contribution»).

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.

Notwithstanding the foregoing, on 20 March 2020 among the package of measures adopted in reaction to the COVID-19 outbreak, the ECB announced further measures introducing supervisory flexibility regarding the treatment of NPLs, in particular to allow banks to fully benefit from guarantees and moratoriums put in place by public authorities to tackle the current distress. In light of that scenario, the EBA has also issued statements regarding the prudential framework in relation to the classification of loans in default, classification of exposures under the definition of forbearance or as defaulted under distressed restructuring, and their accounting treatment. In particular, the EBA has clarified that generalised payment delays due to legislative initiatives and addressed to all borrowers do not lead to any automatic classification in default, forborne or unlikeliness to pay (individual assessments of the likeliness to pay should be

prioritised) and has clarified the requirements for public and private moratoria, which if fulfilled, are expected to help avoid the classification of exposures under the definition of forbearance or as defaulted under distressed restructuring.

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 has 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 per cent. 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.

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.

General State Budget in Spain

On 30 December 2020, Spain enacted Law 11/2020, of the General State Budget for 2021, which includes, among other measures: (i) a limit of 95 per cent. of the current exemption in the Corporate Income Tax allowed for dividends and capital gains derived from shares in resident and non-resident entities in Spain; (ii) an increase in Personal Income Tax on high income taxpayers and a reduction on the deduction for contributions to pension plans to 2,000 euros per year (previously 8,000 euros).

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.

IFRS 9

International Financial Reporting Standard 9 ("**IFRS 9**") addresses the classification, measurement and recognition of financial assets and financial liabilities. The full version of IFRS 9 was published in July 2014 and replaces guideline IAS 39 on classification and measurement of financial Notes. IFRS 9 maintains, although it simplifies, the mixed measurement model and establishes three main measurement categories for financial assets: amortised cost, at fair value with changes in profit and loss and fair value with changes in other comprehensive income. The basis of classification depends on the entity's business model and the characteristics of the financial asset's contractual cash flows. Investments in equity Notes are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other non-recyclable comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

In relation to financial liabilities, there have been no changes with respect to classification and valuation, except for the recognition of changes in the entity's own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. Under IFRS 9, there is a new model for losses resulting from impaired value, the expected credit loss model, which replaces the incurred loss model of IAS 39 and will result in recognition of losses earlier than under IAS 39.

IFRS 9 relaxes the requirements for effective hedging. Under IAS 39, hedging must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this process by requiring an economic relationship between the hedged item and the hedging instrument and that the hedged ratio is the same as that actually used by the entity for its risk management. Contemporaneous documentation is still required, but is different from that prepared under IAS 39. Finally, extensive information is required, including a reconciliation between the initial and final amounts of the provision for expected credit losses, assumptions and data, and

a reconciliation on transition between the categories of the original classification under IAS 39 and the new classification categories under IFRS 9.

IFRS 9 is effective for annual periods that commence as of 1 January 2018. IFRS 9 is applied retrospectively, although the comparative figures do not have to be re-stated.

General Data Protection Regulation

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.

Although a number of basic existing principles have remained the same, the GDPR has introduced extensive new obligations on both data controllers and processors, as well as rights for data subjects. It also includes new fines and penalties for systematic breaches of up to the higher of 4 per cent. of annual worldwide turnover or EUR 20 million and fines of up to the higher of 2 per cent. of annual worldwide turnover or EUR 10 million (whichever is highest) for other specified infringements.

The implementation of the GDPR 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. Furthermore, due to the complexity of the legal provisions and the ever-changing landscape of the digital world, there is an underlying risk that the Consumer Group could eventually face significant sanctions, both administrative and monetary, for non-compliance, as well as reputational damage which could have a material adverse effect on its operations, financial condition and prospects.

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 281.1.3º of the Insolvency Law.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

Introduction

The Notes of each Tranche will be constituted by virtue of a public deed of issuance (the "**Public Deed of Issuance**") to be executed before a Spanish notary public on or prior to the issue date of the relevant Tranche of Notes specified in the relevant Final Terms (the "**Issue Date**"), and which shall contain, among other information, the terms and conditions of the Notes. Notes where the relevant Final Terms specify English law as the governing law (the "**English law Notes**") and Notes where the relevant Final Terms specify Spanish law as the governing law (the "**Spanish law Notes**") will be issued in accordance with, and will have the benefit of, an issue and paying agency agreement (the "**Issue and Paying Agency Agreement**", which expression shall include any amendments or supplements thereto) dated 17 June 2021 and made between Santander Consumer Finance, S.A. (the "**Issuer**"), The Bank of New York Mellon, London Branch in its capacities as issue and paying agent (the "**Issue and Paying Agent**" which expressions shall include any successor to The Bank of New York Mellon, London Branch, in its capacities as such). For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series of Notes (as defined below), the Issuer may appoint a Determination Agent (as defined under Condition 4E.03) for the purposes of such Notes, in accordance with the provisions of the Issue and Paying Agency Agreement, and such Determination Agent shall be specified in the applicable Final Terms. In relation to English law Notes only, the Issuer has executed and delivered a deed of covenant dated 17 June 2021 (the "**Deed of Covenant**"). Copies of the Issue and Paying Agency Agreement (to which the form of the Global Notes is attached) and the Deed of Covenant (i) are, or will be, available for inspection during normal business hours at the specified office of each of the Issue and Paying Agents and Walkers Ireland LLP in its capacity as listing agent (the "**Listing Agent**"); and (ii) may be provided by email to the Noteholders following their prior written request to the relevant Paying Agent or the Listing Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Listing Agent, as the case may be). All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant (in relation to English law Notes only) and the provisions of the Global Note insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Notes. The aggregate principal amount of each Tranche being the total principal amount issued thereunder (the "**Aggregate Principal Amount**") as specified in the relevant Final Terms. Each Tranche will be the subject of a Final Terms (each, a "**Final Terms**"), a copy of which will be available for inspection (or sent by email) during normal business hours at the specified office of the Issue and Paying Agent and/or the Listing Agent (as defined above), as the case may be, and, in the case of a Tranche of Notes listed on the Regulated Market of Euronext Dublin, on the website of Euronext Dublin.

References in these Terms and Conditions to "**Notes**" are to Notes of the relevant Series and any references to "**Coupons**" (as defined in Condition 1.05) and "**Receipts**" (as defined in Condition 1.06) are to Coupons and Receipts relating to Notes of the relevant Series.

References in these Terms and Conditions to the "**Final Terms**" are to the Final Terms or Final Terms(s) prepared in relation to the Notes of the relevant Tranche or Series.

In respect of any Notes, references herein to these "**Terms and Conditions**" are to these terms and conditions as modified or (to the extent thereof) replaced by the Final Terms.

1. Form and Denomination

1.01 Notes are issued in bearer form ("**Bearer Notes**") and are serially numbered.

1.02 Each Tranche of Notes will be represented upon issue by a temporary global note (a "**Temporary Global Note**") in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement. On or after the date (the "**Exchange Date**") which is forty days after the completion of the distribution of the Notes of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received, interests in the Temporary Global Note may be exchanged for:

(i) interests in a permanent global note (a "**Permanent Global Note**") representing the Notes of that Tranche and in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement; or

(ii) if so specified in the relevant Final Terms, serially numbered definitive Notes ("**Definitive Notes**").

1.03 If any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received by Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or any other relevant clearing system. Payments of amounts due in respect of a Permanent Global Note will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

1.04 Interests in a Permanent Global Note will be exchanged by the Issuer in whole (but not in part), at the option of the Holder of such Permanent Global Note, for serially numbered Definitive Notes, (a) if any Note of the relevant Series becomes due and repayable following an Event of Default (as defined herein); or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so or announces its intention to withdraw its acceptance of the Notes for clearance and settlement through its system or in fact does so; or (c) if so specified in the Final Terms, at the option of the Holder of such Permanent Global Note upon such Holder's request, in all cases at the cost and expense of the Issuer, unless otherwise specified in the relevant Final Terms. In order to exercise the option contained in part (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Notes is required, deposit the relevant Permanent Global Note with the Issue and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If default is made by the Issuer in the required delivery of Definitive Notes and such default is continuing at 6.00 p.m. (Irish time) on the thirtieth day after the day on which the relevant notice period expires or, as the case may be, such Permanent Global Note becomes so exchangeable, such Permanent Global Note will become void in accordance with its terms but without prejudice to the rights of the accountholders with Euroclear or Clearstream, Luxembourg or any other relevant clearing system in relation thereto under the Deed of Covenant.

1.05 Definitive Notes will, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Definitive Notes will also, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "Coupons" shall, where the context so requires, include Talons.

1.06 Bearer Notes, the principal amount of which is repayable by instalments ("**Instalment Notes**") have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.

Denomination Notes

1.07 Bearer Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Bearer Notes of one denomination will not be exchangeable, after their initial delivery, for Bearer Notes of any other denominations. No Notes may be issued under the Programme which have a minimum denomination of less than EUR 1,000 (or equivalent in another currency).

Currency of Notes

1.08 Notes may be denominated in any currency, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

1.09 For the purposes of these Terms and Conditions, references to Notes shall, as the context may require, be deemed to be to Temporary Global Notes, Permanent Global Notes or Definitive Notes.

2. Title

2.01 Title to Notes and Coupons passes by delivery. References herein to the "**Holders**" of Notes or of Coupons, or "**Noteholders**" or "**Couponholders**", are to the bearers of such Notes or such Coupons (as applicable).

2.02 The Holder of any Note or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

3. Status of the Notes

Status of Senior Notes

3.01 The payment obligations of the Issuer under Notes which specify their status as Ordinary Senior Notes ("**Ordinary Senior Notes**") or as Senior Non Preferred Notes ("**Senior Non Preferred Notes**", together with the Ordinary Senior Notes the "**Senior Notes**") in the relevant Final Terms constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer and, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer, such payment obligations in respect of principal rank:

(i) in the case of Ordinary Senior Notes:

(a) *pari passu* 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; and

(ii) in the case of Senior Non Preferred Notes, and in accordance with Additional Provision 14.2º of Law 11/2015:

(a) *pari passu* among themselves and with any Senior Non Preferred Liabilities;

(b) *junior* to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency of the Issuer the claims in respect of Senior Non Preferred Notes will be met after payment in full of the Senior Higher Priority Liabilities); and

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

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

The obligations of the Issuer under the Senior Notes are subject to the Bail-in Power.

The Issuer expects that upon insolvency, the payment obligations in respect of principal under the Senior Non Preferred Notes would rank pari passu with any obligations in respect of principal of any second ranking senior instruments issued under the Programme or any other securities with the same ranking issued by the Issuer.

For the purposes of the Terms and Conditions of the Notes:

"**Insolvency Law**" means the Spanish Insolvency Act (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), as amended from time to time;

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

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

"**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 Ordinary Senior 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 14.2º of Law 11/2015, as amended by Royal Decree-Law 11/2017, of 23 June, on urgent measures in financial matters, and as further amended from time to time, (including any Senior Non Preferred Notes) 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.

Status of Subordinated Notes

3.02 *Status of Subordinated Notes*: The payment obligations of the Issuer under Notes which specify their status as Subordinated Notes in the relevant Final Terms ("**Subordinated Notes**", which may be, in turn, Senior Subordinated Notes ("**Senior Subordinated Notes**") or Tier 2 Subordinated Notes ("**Tier 2 Subordinated Notes**"), as specified in the relevant Final Terms) on account of principal constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Issuer according to Article 281.1.2º of the Insolvency Law and, in accordance with Additional Provision 14.3º of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer rank:

(i) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes constitute Senior Subordinated Liabilities of the Issuer:

(a) *pari passu* among themselves and with (i) all other claims for principal in respect of Senior Subordinated Liabilities, and (ii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the relevant Subordinated Notes;

(b) *junior* to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any Senior Non Preferred Liabilities), and (ii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the relevant Subordinated Notes; and

(c) *senior* to (i) any claims for principal in respect of additional Tier 1 capital instruments or Tier 2 Notes, and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the obligations of the Issuer under the relevant Subordinated Notes; and

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

(ii) for so long as the obligations of the Issuer in respect of the relevant Subordinated Notes constitute Tier 2 Notes of the Issuer:

(a) *pari passu* among themselves and with (i) all other claims for principal in respect of Tier 2 Notes, and (ii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the relevant Subordinated Notes;

(b) *junior* to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any Senior Non Preferred Liabilities), (ii) any claims for principal in respect of Senior Subordinated Liabilities, and (iii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the relevant Subordinated Notes; and

(c) *senior* to (i) any claims for principal in respect of additional Tier 1 capital instruments of the Issuer, and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the obligations of the Issuer under the relevant Subordinated Notes.

This status is expected to apply if the Subordinated Notes are specified as Tier 2 Subordinated Notes in the relevant Final Terms.

The obligations of the Issuer under the Subordinated Notes are subject to the Bail-in Power.

For the purposes of the Terms and Conditions:

"**Banco Santander Group**" means Banco Santander, S.A. and its subsidiaries;

"**Senior Subordinated Liabilities**" means any contractually subordinated obligation (*créditos subordinados*) of the Issuer according to Article 281.1.2º of the Insolvency Law, ranking as subordinated debt which is not an additional Tier 1 capital instrument or a Tier 2 Note (*deuda subordinada que no sea capital adicional de nivel 1 o 2*) under Additional Provision 14.3º(1º) of Law 11/2015; and

"**Tier 2 Note**" means any contractually subordinated obligation (*créditos subordinados*) of the Issuer according to Article 281.1.2º of the Insolvency Law, ranking as a tier 2 instrument (*instrumentos de capital de nivel 2*) under Additional Provision 14.3º(2º) of Law 11/2015.

4. Interest

Notes will be interest-bearing. The Final Terms in relation to each Tranche of Notes shall specify which of Condition 4A (*Interest – Fixed Rate*) and/or 4B (*Interest – Floating Rate Notes and CMS-Linked Notes*) shall be applicable and Condition 4E (*Interest – Supplemental Provision*) will be applicable to each Tranche of Notes as specified therein save, in each case, to the extent inconsistent with the relevant Final Terms. In relation to any Tranche of Notes, the relevant Final Terms may specify actual amounts of interest payable rather than, or in addition to, a rate or rates at which interest accrues.

4A Interest — Fixed Rate

Notes in relation to which this Condition 4A is specified in the relevant Final Terms as being applicable shall bear interest from their date of issue (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms at the rate or rates per annum (or otherwise, as specified in the relevant Final Terms) specified in the relevant Final Terms. Such interest will be payable in arrear on each Interest Payment Date specified in the relevant Final Terms and on the Maturity Date. Interest in respect of a period of less than one year will be calculated on such basis as may be specified in the relevant Final Terms.

4B Interest — Floating Rate Notes and CMS-Linked Notes

4B.01 Notes in relation to which this Condition 4B is specified in the relevant Final Terms as being applicable, shall bear interest at the rate or rates per annum (or otherwise, as specified in the relevant Final Terms) determined in accordance with this Condition 4B. The Rate of Interest payable from time to time in respect of Floating Rate Notes and CMS-Linked Notes will be determined in the manner specified in the applicable Final Terms.

4B.02 Such Notes shall bear interest from their date of issue (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms. Such interest will be payable in arrear on each Interest Payment Date (as defined in Condition 4E.01) and on the maturity date.

4B.03 ***Screen Rate Determination***

If "**Screen Rate Determination**" is specified in the relevant Final Terms as the manner in which the Rate of Interest (the "**Screen Rate**") is to be determined, it shall also specify the Reference Rate and the Relevant Screen Page (as defined in Condition 8B.02). The rate of interest (the "**Rate of Interest**") applicable to such Notes for each Interest Period shall be determined by the Determination Agent (as defined in Condition 4E.03) on the following basis:

(i) the Determination Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period (as defined in Condition 4E.01) on the Relevant Screen Page (as defined in Condition 8B.02) as of 11.00 a.m. (Brussels time, in the case of the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (as at the date of the Base Prospectus, Thomson Reuters) in accordance with the requirements from time to time of the EMMI based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks ("**EURIBOR**")) on the second London Banking Day or, in the case of Notes denominated in Euro, on the second TARGET Business Day, before (or, in the case of Notes in another currency if so specified in the relevant Final Terms, on) the first day of the relevant Interest Period (the "**Interest Determination Date**");

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Determination Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page (as defined in Condition 8B.02) as of the relevant time on the relevant Interest Determination Date, where:

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

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

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Issuer, following consultation with an Independent Adviser (as defined in Condition 4G.07 below) and acting in good faith and in a commercially reasonable manner, shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate;

(iii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page (as defined in Condition 8B.02) is unavailable, the Determination Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market or, where the basis for calculating the Rate of Interest is EURIBOR, in the Euro-zone interbank market, selected by the Determination Agent, at approximately 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date to prime banks in the London interbank market or, where the basis for calculating the Rate of Interest is EURIBOR, in the Euro-zone interbank market for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(iv) if, on any Interest Determination Date, only two or three rates are so quoted, the Determination Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or

(v) if fewer than two rates are so quoted, the Determination Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in Condition 8B.02) (or, in the case of Notes denominated in Euro, in such financial centre or centres as the Determination Agent may select) selected by the Determination Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Notes during each Interest Period will be the sum of the relevant margin (the "**Margin**") specified in the Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of rates) so determined; **provided**, **however**, **that**, if the Determination Agent is unable to determine a rate (or, as the case may be, an arithmetic mean (rounded as aforesaid) of rates) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the sum of the Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of rates) determined in relation to such Notes in respect of the last preceding Interest Period; **provided always that** if there is specified in the relevant Final Terms a minimum interest rate or a maximum interest rate then the Rate of Interest shall in no event be less than or, as the case may be, exceed it. The Rate of Interest determined for any Interest Period 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. For the purposes of these Terms and Conditions "**London Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

4B.04 **Screen Rate Determination – SONIA**

If "Screen Rate Determination" is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4B.04(A), Condition 4B.04(B) or Condition 4B.04(C) below, subject to the provisions of Condition 4B.04(E) and Condition 4B.04(F) below, as applicable:

(A) Where the Calculation Method is specified in the relevant Final Terms as being "SONIA Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily SONIA plus or minus (as indicated in the 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 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.

(C) 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.

(D) The following definitions shall apply for the purpose of this Condition 4B.04.

"**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:

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

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

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

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_0**" 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 ;

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

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

"**p**" means, in respect of an Interest Period where "Lag" or "Shift" is specified as the Observation Method in the relevant Final Terms, five London Banking Days or such larger number of days as specified in the relevant Final Terms;

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

the "**SONIA reference rate**", means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (as defined in Condition 8B.02) or, if the Relevant Screen Page (as defined in Condition 8B.02) is unavailable, as otherwise published by such authorised distributors (in each case on the London Banking Day immediately following such London Banking Day);

"**SONIAi**" means, in respect of any London Banking Dayi:

(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 Dayi; or

(y) if "Lock-out" is specified as the Observation Method in the relevant Final Terms:

  (i) in respect of any London Banking Dayi that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise

  (ii) 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 Dayi;

"$\mathbf{SONIA_{i\text{-}pLBD}}$ " means:

(x) if "Lag" is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Dayi, SONIAi in respect of the London Banking Day falling p London Banking Days prior to such London Banking Dayi ("**pLBD**"); or

(y) if "Lock-out" is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Dayi, SONIAi in respect of such London Banking Dayi;

"**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:

$$\left(\frac{SONIA\ Compounded\ Index_{End}}{SONIA\ Compounded\ Index_{Start}} - 1\right) x \frac{365}{d}$$

Where, in each case:

"**d**" is the number of calendar days from (and including) the day in relation to which SONIA Compounded IndexStart is determined to (but excluding) the day in relation to which SONIA Compounded IndexEnd 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 shorter number of days as specified in the relevant Final Terms;

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

"**SONIA Compounded IndexEnd**" 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.

(E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.04(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 Condition 4C.04(A) above and for these purposes the "Observation Method" shall be deemed to be "Shift".

(F) 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 (as defined in Condition 8B.02) or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

(i) (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (as defined in Condition 8B.02) (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 (as defined in Condition 8B.02) (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.

If the relevant Series of Notes become due and payable in accordance with Condition 6, 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.

4B.05 ***Screen Rate Determination – SOFR***

If "**Screen Rate Determination**" is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Final Terms specify that the Reference Rate is SOFR, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4B.05(A) or Condition 4B.05(B) below, subject to the provisions of Condition 4B.05(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 Condition 4B.05:

"**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:

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

Where:

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

"**d_0**" 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 larger number of days as specified in the relevant Final Terms;

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

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

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

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

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

Where:

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

"**d_0**" 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_i**" means, in respect of a U.S. Government Securities Business Day_i, the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day;

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

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

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

(iii) if "SOFR Compound with Payment Delay" is specified in the 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_0**" 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;

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

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

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

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

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

Where:

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

"**Interest Period End Dates**" shall have the meaning specified in the 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$_{Final}$**" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

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

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

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

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

"**SOFR**" means the rate determined by the 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 Conditions 4B.05(A) to 4B.05(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 Condition 4B.05(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 Determination Agent 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 Determination Agent 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 Determination Agent may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

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

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

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

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

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

"**SOFR Benchmark**" means (a) (unless "SOFR Index with Observation Shift" is specified in the relevant Final Terms) SOFR or (b) SOFR Index (each as defined in Condition 4B.05(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 Determination Agent failing which 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 or the Determination Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

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

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

(b) in the case of sub-paragraph (c) of the definition of "SOFR Transition Event" the date of the public statement or publication of information referenced therein; or

(c) in the case of sub-paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

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

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

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

(a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor

administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

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

4B.06 ***ISDA Determination***

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the 2006 Definitions of the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") (as amended and updated as at the date specified in the relevant Final Terms) including by the ISDA Benchmarks Supplement, as specified in the relevant Final Terms) 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; and

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

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

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

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Issuer, following consultation with an Independent Adviser (as defined in Condition 4G.07 below) and acting in good faith and in a commercially reasonable manner, shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

For the purposes of this Condition 4B.06, "**ISDA Benchmarks Supplement**" means the Benchmarks Supplement (as amended and updated as at the Issue Date of the first Tranche of Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc.

4B.07 ***Determination of Rates***

The Determination Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the principal amount of the smallest or minimum denomination of such Notes specified in the relevant Final Terms for the relevant Interest Period.

The Interest Amount will be calculated as follows:

(i) If "Margin Plus Rate" is specified as applicable in the applicable Final Terms, the Rate of Interest will be equal to the Margin plus the Screen Rate or ISDA Rate, as applicable;

(ii) If "Specified Percentage Multiplied by Rate" is specified in the applicable Final Terms, the Rate of Interest will be equal to the Specified Percentage multiplied by the Screen Rate or ISDA Rate, as applicable; or

(iii) If "Difference in Rates" is specified in the applicable Final Terms, the Rate of Interest will be equal to the Specified Percentage multiplied by the difference between Rate 1 and Rate 2, each of Rate 1 and Rate 2 to be determined in accordance with Condition 4B.03, 4B.04, 4B.05 or with Condition 4B.06 as specified in the relevant Final Terms.

4B.08 ***CMS-Linked Interest Provisions:*** If the CMS-Linked Interest Notes provisions are specified in the relevant Final Terms as being applicable, the Rate of Interest applicable to the Notes for each Interest Period will be calculated by reference to a constant maturity swap rate specified in the relevant Final Terms and the relevant provisions of this Condition 4B will apply as though references to Floating Rate Notes were references to CMS-Linked Notes where "Screen Rate Determination" and "Margin Plus Rate" are applicable.

4B.09 ***Maximum or Minimum Rate of Interest:*** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then, subject to Condition 4F.01, the Rate of Interest shall in no event be greater than the Maximum Rate of Interest or be less than the Minimum Rate of Interest so specified. Where the Rate of Interest is determined to be higher than the Maximum Rate of Interest or lower than the Minimum Rate of Interest, such higher rate shall be deemed to be equal to such Maximum Rate of Interest and such lower rate shall be deemed to be equal to such Minimum Rate of Interest, as applicable.

4C Interest — Zero Coupon Notes

This Condition 4C applies to Zero Coupon Notes only. The applicable Final Terms contain provisions applicable to the determination of zero coupon interest and must be read in conjunction with this Condition 4C for full information on the manner in which interest is calculated on Zero Coupon Notes.

Notes in relation to which this Condition 4C applies and the relevant Final Terms specifies as being applicable shall not bear interest. Where such Zero Coupon Note is repayable prior to the Maturity Date (as such term is defined below) and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount (Zero Coupon) (as defined in Condition 5.05). As from the Maturity Date, the Rate of Interest for any overdue principal of such an Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5.05).

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

4D Interest — Reset Notes

This Condition 4D applies to Reset Notes only. The applicable Final Terms contain provisions applicable to the determination of reset rate interest and must be read in conjunction with this Condition 4D for full information on the manner in which interest is calculated on Reset Notes.

Rates of Interest and Interest Payment Dates

4D.01 Notes in relation to which this Condition 4D applies and the relevant Final Terms specify as being applicable shall bear interest:

(i) from (and including) their Issue Date or from such other date as may be specified in the relevant Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;

(ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

the relevant Rate of Interest being payable, in each case, on each Interest Payment Date specified in the relevant Final Terms and on the Maturity Date. The Interest Amount in respect of a period of less than one year will be calculated on such basis as may be specified in Condition 4F.02 and the relevant Final Terms.

For the purposes of these Terms and Conditions:

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

"**First Reset Date**" means the date specified in the applicable Final Terms as adjusted (if so specified in the applicable Final Terms) as if the relevant Reset Date was an Interest Payment Date;

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

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 4D.02, the rate of interest determined by the Determination Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate, as may be adjusted in the applicable Final Terms, and the First Margin;

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

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 4D.02, either:

(i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page (as defined in Condition 8B.02) or such replacement page on that service which displays the information; or

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

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page (as defined in Condition 8B.02) or such replacement page on that service which displays the information,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Determination Agent;

"**Non-Sterling Reference Bond Rate**" means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the

Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Determination Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

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

"**Reset Business Day**" means a day on which commercial banks are open for business and foreign exchange markets settle payments in any Reset Business Centre specified in the relevant Final Terms;

"**Reset Date**" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Reset Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Reset Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Reset Business Day prior to the first day of each such Subsequent Reset Period;

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

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

(A) the arithmetic average (as determined by the Determination Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or

(B) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Determination Agent) of all such quotations; or

(C) if only one Reference Government Bond Dealer Quotation is received, such quotation; or

(D) if no Reference Government Bond Dealer Quotations are received when U.S. Treasury Rate does not apply, in the case of the First Reset Rate of Interest, the Initial Reference Rate and, in the case of any Subsequent Reset Rate of Interest, the Reset Reference Rate as at the last preceding Reset Date, or when U.S. Treasury Rate does apply, the U.S. Treasury Rate shall be determined in accordance with the second paragraph in the definition of U.S. Treasury Rate;

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

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

"**Second Reset Date**" means the date specified in the applicable Final Terms as adjusted (if so specified in the applicable Final Terms) as if the relevant Reset Date was an Interest Payment Date;

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

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

"**Subsequent Reset Date**" means the date or dates specified in the applicable Final Terms as adjusted (if so specified in the applicable Final Terms) as if the relevant Reset Date was an Interest Payment Date;

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

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 4D.02, the rate of interest determined by the Determination Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate, as may be adjusted in the applicable Final Terms and the relevant Subsequent Margin.

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

4D.02 ***Fallbacks***

If on any Reset Determination Date, the Relevant Screen Page (as defined in Condition 8B.02) is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (as defined in Condition 8B.02), the Determination Agent shall request each of the Reference Banks to provide the Determination Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

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

If on any Reset Determination Date only one of the Reference Banks provides the Determination Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum of the relevant Mid-Market Swap Rate Quotation (rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards)) and the First or Subsequent Margin (as applicable), all as determined by the Determination Agent.

If on any Reset Determination Date none of the Reference Banks provides the Determination Agent with a Mid-Market Swap Rate Quotation, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be (i) the rate determined on the previous Reset Determination Date (if any) or (ii) if there is no such previous Reset Determination Date, the Mid-Swap Rate which last appeared on the Relevant Screen Page (as defined in Condition 8B.02), in each case, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period.

For the purposes of this Condition 4D.02:

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

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

"**Mid-Swap Floating Leg Benchmark Rate**" means EURIBOR if the Specified Currency is euro; and

"**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

4E **Interest — Supplemental Provision**

Interest Payment Date Conventions and other Calculations

4E.01 (a) *Business Day Convention*

The Final Terms in relation to each Series of Notes in relation to which this Condition 4E.01 is specified as being applicable shall specify which of the following conventions shall be applicable, namely:

(i) the "**FRN Convention**", in which case interest shall be payable in arrear on each date (each an "**Interest Payment Date**") which numerically corresponds to their date of issue or such other date as may be specified in the relevant Final Terms or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the relevant Final Terms after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred **provided that**:

(A) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day (as defined in Condition 8B.02) in that calendar month;

(B) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred;

(ii) the "**Modified Following Business Day Convention**", in which case interest shall be payable in arrear on such dates (each an "**Interest Payment Date**") as are specified in the relevant Final Terms **Provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day;

(iii) the "**Following Business Day Convention**" in which case interest shall be payable in arrear on such dates (each an "**Interest Payment Date**") as are specified in the relevant Final Terms **Provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day;

(iv) "**No Adjustment**" in which case the relevant date shall not be adjusted in accordance with any Business Day Convention; or

(v) such other convention as may be specified in the relevant Final Terms.

(b) "**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (whether or not constituting an Interest Period, the "**Calculation Period**"), such day count fraction as may be specified in the Final Terms and:

(i) if "**Actual/Actual**", "**Actual/Actual (ISDA)**", "**Act/Act**" or "**Act/Act (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/Actual (ICMA)**"or "**Act/Act (ICMA)**" is so specified, means a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "**ICMA Rule Book**"), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non U.S. Dollar denominated straight and convertible bonds issued after 31 December 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period;

(iv) if "**Actual/360**", "**Act/360**" or "**A/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D2 will be 30.

Each period beginning on (and including) such date of issue or such other date as aforesaid and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".

Notification of Rates of Interest, Interest Amounts and Interest Payment Dates

4E.02 The Determination Agent will cause each Rate of Interest, floating rate, Interest Payment Date, final day of a calculation period, Interest Amount, floating amount or other item, as the case may be, determined or calculated by it to be notified to the Issuer and the Issue and Paying Agent. The Issue and Paying Agent will cause all such determination or calculations to be notified to the other Issue and Paying Agents (from whose respective specified offices such information will be available) and to the Holders in accordance with Condition 13 (*Notices*) as soon as practicable after such determination or calculation but in any event not later than the fourth London Banking Day thereafter or, if earlier, in the case of notification to any listing authority, stock exchange and/or quotation system, the time required by the rules of any such listing authority, stock exchange and/or quotation system. The Determination Agent will be entitled to amend any Interest Amount, floating amount, Interest Payment Date or final day of a calculation period (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the first two sentences of this Condition 4E.02.

4E.03 The determination by the Determination Agent of all items falling to be determined by it pursuant to these Terms and Conditions shall, in the absence of manifest error, be final and binding on all parties.

"**Determination Agent**" means the Issue and Paying Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

Accrual of Interest

4E.04 Interest shall accrue on the principal amount of each Note or, in the case of an Instalment Note, on each instalment of principal, on the paid up principal amount of such Note from the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment thereof) unless upon (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment) due presentation or surrender thereof, payment in full of the principal amount or the relevant instalment or, as the case may be, redemption amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the principal amount of the Notes until the earlier of (i) the date on which, upon due presentation of the relevant Note (if required), the relevant payment is made or (ii) (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment) the seventh day after the date on which notice is given to the Holders in accordance with Condition 13 (*Notices*) that the Issue and Paying Agent has received the funds required to make such payment (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

4F ***Step Up Provisions:***

4F.01 (a) This Condition 4F.01 applies to Ordinary Senior Notes if the Step Up Provisions are specified in the relevant Final Terms as being applicable. If so applicable, the rate of interest payable on Ordinary Senior Notes will be subject to adjustment from time to time, as follows:

(i) subject to paragraph (iii) below, from and including the first Interest Payment Date following the date a Step Down Rating Change occurs, the rate of interest payable on the Ordinary Senior Notes shall be the Initial Interest Rate. For the avoidance of doubt, the rate of interest payable on the Ordinary Senior Notes shall remain at the Initial Interest Rate notwithstanding any further increase in the rating assigned to the Senior Notes above BBB-/Baa3 (or equivalent);

(ii) subject to paragraph (iii) below, from and including the first Interest Payment Date following the date a Step Up Rating Change occurs, the rate of interest payable on the Ordinary Senior Notes shall be the Initial Interest Rate plus the applicable Step Up Margin specified in the relevant Final Terms (together, the "**Increased Rate of Interest**"). For the avoidance of doubt, the rate of interest payable on the Ordinary Senior Note shall remain at the Increased Rate of Interest notwithstanding any further decrease in the rating of the Senior Notes below BB+/Ba1 (or equivalent); and

(iii) if, within the same Interest Period, at least one Step Up Rating Change and at least one Step Down Rating Change occurs (A) where the majority of Rating Agencies announce a Step Down Rating Change, paragraph (i) above shall apply, (B) where the majority of Rating Agencies announce a Step Up Rating Change, paragraph (ii) above shall apply and (C) otherwise, the rate of interest payable on the Ordinary Senior Note shall neither be increased nor decreased.

(b) Notwithstanding any other provision of this Condition 4F.01, there shall be no adjustment in the rate of interest applicable to the Ordinary Senior Notes (1) on the basis of any rating assigned to the Senior Note by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Ordinary Senior Notes and (2) at any time after notice of redemption has been given pursuant to Conditions 5.06 or 5.07.

(c) There shall be no limit on the number of times that adjustments to the rate of interest payable on the Senior Notes may be made pursuant to this Condition 4F.01 during the term of the Ordinary Senior Notes, provided always that at no time during the term of the Ordinary

Senior Notes will the rate of interest payable on the Ordinary Senior Notes be less than the Initial Interest Rate or more than the Increased Rate of Interest.

(d) In the event the rate of interest payable on the Ordinary Senior Notes is the (ii) Increased Rate of Interest, any Maximum Rate of Interest or Minimum Rate of Interest specified hereon shall be increased by the Step Up Margin specified hereon and (ii) Initial Interest Rate as a result of a Step Down Rating Change, the Maximum Rate of Interest and the Minimum Rate of Interest shall be restored to the Maximum Rate of Interest and the Minimum Rate of Interest specified hereon.

(e) If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in this Condition 4F.01, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 4F.01 shall be read accordingly.

(f) The Issuer will cause the occurrence of an event giving rise to an adjustment in the rate of interest payable on the Ordinary Senior Notes pursuant to this Condition 4F.01 to be notified to the Issue and Paying Agent and notice thereof to be given in accordance with Condition 15 as soon as possible after the occurrence of the relevant event.

In these Terms and Conditions:

"**Initial Interest Rate**" means the initial Rate of Interest either specified or calculated in accordance with the provisions hereon;

"**Fitch**" means Fitch Ratings Ireland Limited or any of its affiliates or successor;

"**Moody's**" means Moody's Investors Service Limited or any of its affiliates or successor;

"**Rating Agencies**" means Moody's, Fitch, S&P or any other rating agency selected by the Issuer from time to time to assign a credit rating to the relevant Ordinary Senior Notes (a "**Substitute Rating Agency"**) and "**Rating Agency"** means any one of them;

"**S&P**" means S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc. or any of its affiliates or successor;

"**Step Down Rating Change**" means the public announcement by any Rating Agency assigning a credit rating to the Ordinary Senior Notes of an increase in or a confirmation of the rating of the Ordinary Senior Notes to or as BBB-/Baa3 (or equivalent) or better; and

"Step Up Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Ordinary Senior Notes of a decrease in or a confirmation of the rating of the Ordinary Senior Notes to or as BB+/Ba1 (or equivalent) or below.

4F.02 The Determination Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the Interest Amount. The Interest Amount payable per Calculation Amount in respect of any Note for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

In this condition 4F.02:

"**Interest Amount**" means: (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the relevant Interest

Period; and (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

4G Interest - Benchmark discontinuation:

Independent Adviser

4G.01 If a Benchmark Event occurs in relation to an Original Reference Rate other than the 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 Condition 4G), failing which an Alternative Rate (in accordance with Condition 4G.02) and, in either case, an Adjustment Spread if any (in accordance with Condition 4G.03) and any Benchmark Amendments (in accordance with Condition 4G.04).

An Independent Adviser appointed pursuant to this Condition 4G 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 Agents, or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4G.01.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4G.01 prior to the relevant Reset Determination Date or Interest Determination Date, as applicable, the Rate of Interest applicable to the next succeeding Reset Period or Interest Period, as applicable, shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Reset Period or Interest Period, respectively. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest. Where a different First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Reset Period or Interest Period, as applicable, from that which applied to the last preceding Reset Period or Interest Period, respectively, the First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Reset Period or Interest Period, respectively, shall be substituted in place of the First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Reset Period or Interest Period, respectively. For the avoidance of doubt, this Condition 4G.01 shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4G.01. However, the Issuer intends that, in circumstances where it has been unable to determine a Successor Rate or Alternative Rate (as applicable) and (in either case) Adjustment Spread pursuant to Condition 4G, it will elect to re-apply the provisions of Condition 4G if and when, in its sole determination, there have been such subsequent developments (whether in applicable law, market practice or otherwise) as would enable it successfully to apply such provisions and determine a Successor Rate or Alternative Rate (as applicable) and (in either case) the applicable Adjustment Spread and the applicable Benchmark Amendments (if any).

Successor Rate or Alternative Rate

4G.02 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 Condition 4G.03) 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 Condition 4G); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4G.03) 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 Condition 4G).

Adjustment Spread

4G.03 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).

Benchmark Amendments

4G.04 If any Successor Rate, Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4G 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 Condition 4F.05, 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 Condition 4G, 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 Condition 4G.04 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 Conditions.

In connection with any such variation in accordance with this Condition 4G.04, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4G, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Subordinated Notes or TLAC/MREL-Eligible Notes for the purposes of the Applicable Banking Regulations.

Notwithstanding any other provision of this Condition 4G, in the case of Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements only, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date.

Notices, etc.

4G.05 Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4G will be notified promptly by the Issuer to the Determination Agent, the Paying Agents and, in accordance with Condition 15, 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 and the Determination Agent 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 Condition 4G; 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 make such certificate available for inspection at its offices by the Holders at all reasonable times during normal business hours or may be provided by email to the Noteholders following their prior written request to the Issue and Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issue and Paying Agent).

Each of the Issue and Paying Agent and the Determination Agent 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 ability to rely on such certificate as aforesaid) be binding on the Issuer, the Issue and Paying Agent, the Determination Agent and the Holders.

Notwithstanding any other provision of this Condition 4G, 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 Condition 4G, 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, wilful 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, wilful default or fraud) shall not incur any liability for not doing so.

Survival of Original Reference Rate

4G.06 Without prejudice to the obligations of the Issuer under Conditions 4G.01, 4G.02, 4G.03 and 4G.04, the Original Reference Rate and the fallback provisions provided for in Conditions 4D.02, 4B.03 and 4B.04 will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this Condition 4G shall prevail.

Definitions:

4G.07 As used in this Condition 4G:

"**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 and acting in good faith and in a commercially reasonable manner, 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 Condition 4G.02 is customarily applied in 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 Amendments**" has the meaning given to it in Condition 4G.02.

"**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 CMS-Linked Notes or 5 Reset Business Days in relation to a Reset Notes; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or it 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 any 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 and the Determination Agent. For the avoidance of doubt, neither the Issue and Paying Agent nor the Determination Agent 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 in international debt capital markets appointed by the Issuer.

"**Original Reference Rate**" means (i) 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, or (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of this Condition 4G, as applicable.

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

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

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

5 Redemption and Purchase

Redemption at Maturity

5.01 Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its maturity redemption amount (the "**Maturity Redemption Amount**") (which shall be its principal amount) (or, in the case of Instalment Notes, in such number of instalments and in such amounts as may be specified in the relevant Final Terms) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Final Terms. Tier 2 Subordinated Notes qualifying as regulatory capital (*recursos propios*) in accordance with applicable capital adequacy requirements will have a maturity of not less than five years or as otherwise permitted by applicable laws or Applicable Banking Regulations.

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

Early Redemption for Taxation Reasons

5.02 If, in relation to any Series of Notes, (i) as a result of any change in the laws or regulations of Spain or in either case of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or application of any such laws or regulations which becomes effective on or after the date of issue of such Notes or any earlier date specified in the relevant Final Terms, (a) the Issuer would be required to pay additional amounts as provided in Condition 7 (*Taxation*), or (b) in the case of Subordinated Notes and Senior Non Preferred Notes, the Issuer is no longer entitled to claim a deduction in respect of any payments in relation to the Subordinated Notes or the Senior Non Preferred Notes in computing its taxation liabilities or the value of such deduction to the Issuer would be materially reduced, and (ii) such circumstances are evidenced by the delivery by the Issuer to the Issue and Paying Agent of a certificate signed by two Authorised Signatories of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail and, in the case of Subordinated Notes and Senior Non Preferred Notes a copy of the Relevant Resolution Authority consent to the redemption (when required at the time by Applicable Banking Regulations), the Issuer may, at its option and having given no less than 15 nor more than 60 calendar days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Notes in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their principal amount or at such other Early Redemption Amount (Tax) as may be specified in the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in

respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon **provided**, **however**, **that** (i) no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due, and (ii) in the case of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, that the Regulator and/or Relevant Resolution Authority consents to redemption of the relevant Notes.

For the purposes of these Terms and Conditions:

"**Relevant Resolution Authority**" means the FROB, the SRB or any other entity with the authority to exercise any of the resolutions tools and powers contained in the Applicable Banking Regulations;

"**FROB**" means the Steering Committee of the Spanish banking resolution authority or *Fondo de Resolución Ordenada Bancaria*; and

"**SRB**" means the Single Resolution Board or *Junta Única de Resolución*.

Early Redemption due to Capital Disqualification Event

5.03 If, in the case of Tier 2 Subordinated Notes only, a Capital Disqualification Event occurs as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law or Applicable Banking Regulations becoming effective on or after the Issue Date, the Issuer may, at its option and having given not less than 15 nor more than 60 calendar days' notice to the Issue and Paying Agent and, in accordance with Condition 13, the Holders of the Tier 2 Subordinated Notes (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Tier 2 Subordinated Notes.

Tier 2 Subordinated Notes redeemed pursuant to this Condition 5.03 will be redeemed at their early redemption amount (the "**Early Redemption Amount (Capital Disqualification Event)**") (which shall be their principal amount or a such other Early Redemption Amount (Capital Disqualification Event) as may be specified in the relevant Final Terms) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption of Tier 2 Subordinated Notes for regulatory reasons pursuant to this Condition 5.03 is subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

For the purposes of these Terms and Conditions:

"**Consumer Group**" means the Issuer and the companies whose accounts are consolidated with those of the Issuer.

"**Capital Disqualification Event**" means the determination by the Issuer after consultation with the Regulator that the Tier 2 Subordinated Notes are not eligible for inclusion in whole or, to the extent not prohibited by Applicable Banking Regulations, in part, in the Tier 2 Capital of the Issuer or the Consumer Group or the Banco Santander Group pursuant to Applicable Banking Regulations or any other regulations applicable in the Kingdom of Spain from time to time (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer);

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

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Issuer and/or the Consumer Group including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect of the Regulator

and/or the Relevant Resolution Authority, in each case to the extent then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Consumer Group);

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

"**SRM Regulation II**" means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms;

"**Regulator**" means the European Central Bank, the Bank of Spain or such other or successor governmental authority exercising primary bank supervisory authority from time to time, in each case with respect to prudential matters in relation to the Issuer and/or the Consumer Group;

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

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

"**RD 1012/2015**" means Royal Decree 1012/2015 of 6 November implementing Law 11/2015;

"**CRD IV**" means the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

"**CRD IV Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended or replaced from time to time (including by the CRD V Directive or such other directive as may come into effect in place thereof);

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

"**CRD IV Implementing Measures**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the *Banco de España*, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or the Issuer together with its consolidated Subsidiaries (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a standalone or consolidated basis);

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms, as amended or replaced from time to time (including by the CRR II or such other regulation as may come into effect in place thereof; and

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

Early Redemption due to TLAC/MREL Disqualification Event

5.04 If, in the case of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms only, a TLAC/MREL Disqualification Event has occurred and is continuing, then the Issuer may, at its option and having given not less than 15 nor more than 60 calendar days' notice to the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the relevant Notes (as applicable) (which notice shall be irrevocable and shall specify the date for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the relevant Notes (as applicable). Upon the expiry of such notice, the Issuer shall redeem the relevant Notes (as applicable).

Notes redeemed pursuant to this Condition 5.04 will be redeemed at their early redemption amount (the "**Early Redemption Amount (TLAC/MREL Disqualification Event)**") (which shall be their principal amount or such other Early Redemption Amount (TLAC/MREL Disqualification Event) as may be specified in or determined in accordance with the relevant Final Terms) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms, for regulatory reasons pursuant to this Condition 5.04 will be subject to the prior consent of the Regulator and/or Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. Redemption of Tier 2 Subordinated Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to a TLAC/MREL Disqualification Event only after five years from their date of issuance or any other minimum period permitted by the Applicable Banking Regulations.

For the purposes of these Terms and Conditions:

"**EU Banking Reforms**" means the directives and regulations amending and supplementing certain provisions of the CRD IV Directive, the CRR, the SRM Regulation and the BRRD adopted and published in the Official Journal of the EU on 7 June 2019, namely:

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

(ii) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms;

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

(iv) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

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

"**TLAC**" means the "total loss-absorbing capacity" requirement for global systemically important institutions under the CRR, set in accordance with Article 92a of the CRR and any other Applicable Banking Regulations;

"**TLAC/MREL Disqualification Event**" means at any time that all or part of the outstanding nominal amount of the Subordinated Notes, the Senior Non Preferred Notes or the Ordinary Senior Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms does not fully qualify as TLAC/MREL-Eligible Notes of the Issuer and/or the Consumer Group, except where such non-qualification (i) is due solely to the remaining maturity of the relevant Notes (as applicable) being less than any period prescribed for TLAC/MREL-Eligible Notes by the Applicable Banking Regulations as at the Issue Date or (ii) is as a result of the relevant Notes (as applicable) being bought back by or on behalf of the Issuer or a buy back of the relevant Notes which is funded by or on behalf of the Issuer or (iii) in the case of Ordinary Senior Notes where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms, is due to the relevant Ordinary Senior Notes not meeting any requirement in connection to their ranking upon insolvency of the Issuer or any limitation on the amount of such Notes that may be eligible for the inclusion in the amount of TLAC/MREL-Eligible Notes of the Issuer and/or the Consumer Group.

A TLAC/MREL Disqualification Event shall, without limitation, be deemed to include where any non-qualification of the Subordinated Notes, Senior Non Preferred Notes or, as applicable, Ordinary Senior Notes as TLAC/MREL-Eligible Notes arises as a result of (a) any legislation which gives effect to the EU Banking Reforms in the Kingdom of Spain differing in any respect from the EU Banking Reforms, or (b) the official interpretation or application of the EU Banking Reforms as implemented in the Kingdom of Spain (including any interpretation or pronouncement by any relevant court, tribunal or authority) differing in any respect from the EU Banking Reforms;

"**TLAC/MREL-Eligible Note**" means an instrument that complies with the TLAC/MREL Requirements; and

"**TLAC/MREL Requirements**" means the total loss-absorbing capacity requirements and/or minimum requirement for own funds and eligible liabilities applicable to the Issuer and/or the Consumer Group under the Applicable Banking Regulations.

5.05 ***Early Redemption (Zero Coupon Notes)***

(a) The early redemption amount payable in respect of any Zero Coupon Note (the "**Early Redemption Amount (Zero Coupon)**") upon redemption of such Note pursuant to Condition 5.02, Condition 5.03, Condition 5.04, Condition 5.06 or Condition 5.09 or upon it becoming due and payable as provided in Condition 6 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(b) Subject to the provisions of sub-paragraph (c) below, the "**Amortised Face Amount**" of any such Note shall be the scheduled Maturity Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is set out in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(c) If the Early Redemption Amount (Zero Coupon) payable in respect of any such Note upon its redemption pursuant to Condition 5.02, Condition 5.03, Condition 5.04, Condition 5.06 or Condition 5.09 or upon it becoming due and payable as provided in Condition 6 is not paid when due, the Early Redemption Amount (Zero Coupon) due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Maturity Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4E.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

5.06 ***Optional Early Redemption (Call)***

If this Condition 5.06 is specified in the relevant Final Terms as being applicable, then the Issuer may, having given not less than 15 calendar days' notice (or such lesser period as may be specified in the relevant Final Terms) to the Issue and Paying Agent and, in accordance with Condition 13, the Holders of the Notes redeem all (but not, unless and to the extent that the relevant Final Terms specifies otherwise, some only) of the Notes of the relevant Series, on the Early Redemption Date(s) specified in the relevant Final Terms, at their call early redemption amount (the "**Early Redemption Amount (Call)**") (which shall be their principal amount or such other Early Redemption Amount (Call) as may be specified in the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon.

In the case of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, redemption at the option of the Issuer pursuant to this Condition 5.06 will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

5.07 The appropriate notice referred to in Condition 5.06 is a notice given by the Issuer to the Issue and Paying Agent and the Holders of the Notes of the relevant Series, which notice shall be signed by two duly authorised officers of the Issuer and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes of the relevant Series which are to be redeemed;
- the due date for such redemption which shall be a Business Day, which shall be not less than thirty days (or such lesser period as may be specified in the relevant Final Terms) after the date on which such notice is validly given and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- the Early Redemption Amount (Call) at which such Notes are to be redeemed.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

Partial Redemption

5.08 If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 5.06, the Notes to be redeemed shall be drawn by lot, with the intervention of the relevant Commissioner and before a Notary Public who will take the minutes, in such European city as the Issue and Paying Agent may specify, or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on which the relevant Notes may be listed and/or quoted.

In connection with an exercise of the option contained in Condition 5.06 (*Optional Early Redemption (Call)*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

In the case of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, redemption at the option of the Issuer pursuant to this

Condition 5.08 will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

Optional Early Redemption (Put) – Senior Notes

5.09 If this Condition 5.09 is specified in the relevant Final Terms as being applicable to the Senior Notes, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Note of the relevant Series, redeem such Note on the date or the dates specified in the relevant Final Terms at its put early redemption amount (the "**Early Redemption Amount (Put)**") (which shall be its principal amount or such other Early Redemption Amount (Put) as may be specified in the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not more than 90 days nor less than 60 days before the date so specified (or such other period as may be specified in the relevant Final Terms), deposit the relevant Note (together, in the case of a Definitive Note, with any unmatured Coupons appertaining thereto) with any Paying Agent together with a duly completed redemption notice in the form which is available from the specified office of any of the Issue and Paying Agents. No Note so deposited and option exercised may be withdrawn. Not less than 15 nor more than 45 calendar days' notice of the commencement of the period for the deposit of the relevant Instrument for redemption pursuant to this Condition 5.09 shall be given to the Holders.

The Early Redemption (Put) shall not apply in the case of Subordinated Notes or Senior Non Preferred Notes and holders of Subordinated Notes or Senior Non Preferred Notes may not redeem such Subordinated Notes prior to the Maturity Date.

The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 5.02, 5.03, 5.04 or 5.05.

Purchase of Notes

5.10 The Issuer and any of its respective subsidiaries may purchase Notes in the open market or otherwise and at any price **provided that**, in the case of Definitive Notes, all unmatured Coupons appertaining thereto are purchased therewith.

In the case of (i) Subordinated Notes and Senior Non Preferred Notes which qualify as regulatory capital (*recursos propios*) and TLAC/MREL instruments, and (ii) Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, the purchase of the Notes by the Issuer or any of its subsidiaries shall take place in accordance with the requirements of the Applicable Banking Regulations and will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority, if and as required.

Cancellation of Redeemed and Purchased Notes

5.11 All unmatured Notes and Coupons and unexchanged Talons redeemed or purchased otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 5 will be cancelled forthwith and may not be reissued or resold.

Further Provisions applicable to Redemption Amount and Instalment Amounts

5.12 The provisions of Condition 4E.02 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Determination Agent.

5.13 References herein to "**Redemption Amount**" shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (TLAC/MREL Disqualification Event), Early Redemption Amount (Zero Coupon), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the Final Terms.

Notices

5.14 Notices of early redemption (whether full or partial) of Notes shall be given in accordance with Condition 13 (*Notices*).

Notification to Euronext Dublin

5.15 The Issuer shall notify Euronext Dublin of any early redemption (whether full or partial) of Notes.

6 **Events of Default**

Events of Default for Ordinary Senior Notes

6.01 Unless otherwise specified in the relevant Final Terms, if, in the case of Ordinary Senior Notes, any of the following events occurs and is continuing (each an "**Event of Default**" solely in respect of Ordinary Senior Notes), such Event of Default shall be an acceleration event in relation to the Ordinary Senior Notes of any Series, namely:

(i) *Non-payment*: if default is made in the payment of any interest or principal due in respect of the Ordinary Senior Notes of the relevant Series and such default continues for a period of seven days (or such other period as may be specified in the relevant Final Terms); or

(ii) *Breach of other obligations*: if the Issuer fails to perform or observe any of its other obligations under or in respect of the Ordinary Senior Notes, the Issue and Paying Agency Agreement and (except in any case where such failure is incapable of remedy when no such continuation as is hereinafter mentioned will be required) the failure continues for a period of 30 days following the service by the relevant Commissioner (as defined in Condition 12 below) on the Issuer of a notice requiring the same to be remedied; or

(iii) *Winding up*: if any order is made by any competent court or resolution passed for the winding up or liquidation of the Issuer; or

(iv) *Cessation of business*: if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of a reorganisation (except in any such case for the purpose of reconstruction or a merger or amalgamation which has been previously approved by a resolution of the relevant Syndicate of Holders of the Ordinary Senior Notes or a merger with another financial institution in this case even without being approved by a resolution of the relevant Syndicate of Holders of the Ordinary Senior Notes, **provided that** any entity that survives or is created as a result of such merger is given a rating by an internationally recognised rating agency at least equal to the then current rating of the Issuer at the time of such merger), or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class thereof) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(v) *Insolvency proceedings*: if (a) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or in relation to the whole or a part of the undertaking or assets of it, or an encumbrancer takes possession of the whole or a part of the undertaking or assets of either of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets or any of them, and (b) in any case is not discharged within 14 days; or

(vi) *Arrangements with creditors*: if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors).

6.02 If any Event of Default shall occur in relation to any Series of the Ordinary Senior Notes, the relevant Commissioner, acting upon a resolution of the relevant Syndicate of Holders of the Ordinary Senior Notes of the relevant Series, in respect of all the Ordinary Senior Notes of a relevant Series, or any Holder of an Ordinary Senior Note of the relevant Series in respect of such Ordinary Senior Note and **provided that** such Holder does not contravene the resolution of the relevant Syndicate (if any) may, by written notice to the Issuer, at the specified office of the Issue and Paying Agent, declare that such Ordinary Senior Note or Ordinary Senior Notes and all interest then accrued on such Ordinary Senior Note or Ordinary Senior Notes shall (when permitted by applicable Spanish law) be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "**Early Termination Amount**") (which shall be its principal amount or such other Early Termination Amount as may be specified in the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Ordinary Senior Notes under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Ordinary Senior Note or Ordinary Senior Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Ordinary Senior Notes of the relevant Series shall have been cured.

No Events of Default for Subordinated Notes, Senior Non Preferred Notes and certain Ordinary Senior Notes

6.03 Save as provided below, there are no events of default under the Subordinated Notes and the Senior Non Preferred Notes and, to the extent Conditions 6.01 and 6.02 have been so specified in the relevant Final Terms as not applicable, the Ordinary Senior Notes, which could lead to an acceleration of the relevant Subordinated Notes, Senior Non Preferred Notes or Ordinary Senior Notes.

However, if an order is made by any competent court commencing insolvency proceedings against the Issuer or if any order is made by any competent court or resolution passed for the insolvency, winding up or liquidation of the Issuer and such order is continuing, then any Note may, unless there has been a resolution to the contrary by the Syndicate of Holders of Notes, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the specified office of the Issue and Paying Agent, be declared immediately due and payable, whereupon the principal amount of such Notes together with any accrued and unpaid interest thereon to the date of payment shall become immediately due and payable without further action or formality.

Notwithstanding the above, if default is made in the payment of any interest or principal due in respect of the Notes and such default continues for a period of seven days then, (i) the Commissioner, acting upon a resolution of the Syndicate of Holders of Notes, in respect of all Subordinated Notes, Senior Non Preferred Notes or Ordinary Senior Notes, as the case may be, or (ii) unless there has been a resolution to the contrary by the Syndicate of Holders of Notes (which resolution shall be binding on all Holders), any Holder in respect of the Subordinated Notes, Senior Non Preferred Notes or Ordinary Senior Notes, as the case may be, held by such Holder, may institute proceedings for the insolvency, winding up or liquidation of the Issuer but may take no further or other action in respect of such default.

In addition, (i) the Commissioner, acting upon a resolution of the Syndicate of Holders of Notes, or (ii) unless there has been a resolution to the contrary by the Syndicate of Holders of Notes (which resolution shall be binding on all Holders), any Holder in respect of the Notes held by such Holder, may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or any damages.

Neither a cancellation of the Notes, a reduction, in part or in full, of the principal amount of the Notes or any accrued and unpaid interest on the Notes, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in Power by

the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Holders to any remedies (including equitable remedies), which are hereby expressly waived.

7. Taxation

7.01 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes, the Receipts and the Coupons by the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by, within or on behalf of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges ("**Taxes**") is required by law. In that event, the Issuer shall pay such additional amounts (in the case of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes qualifying as TLAC/MREL Eligible Instruments and/or Coupons of Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes qualifying as TLAC/MREL Eligible Instruments, in respect of the payment of any interest only (but not in respect of the payment of any principal)) as will result in receipt by the holder or beneficial owner of any interest herein or rights of any Note, Receipt or Coupon (each, a "**Beneficial Owner**") of such amounts as would have been received by them had no such withholding or deduction been required.

7.02 The Issuer shall not be required to pay any additional amounts as referred to in Condition 7.01 in relation to any payment in respect of any Note, Receipt or Coupon:

(i) to, or to a third party on behalf of, a Beneficial Owner of a Note, Receipt or Coupon who is liable for such Taxes in respect of such Note, Receipt or Coupon by reason of his having some connection with Spain other than the mere holding of such Note, Receipt or Coupon; or

(ii) to, or to a third party on behalf of, a Beneficial Owner if the Issuer does not receive the information in respect of the notes as may be required in order to comply with the applicable Spanish tax reporting obligations; or

(iii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Beneficial Owner 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; or

(v) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish corporation tax if the Spanish tax authorities determine that the Notes do not comply with exemption requirements 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 Condition 7 will not be payable with respect to any Taxes that are imposed in respect of any combination of the items set forth above.

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

Notwithstanding any other provision of these Terms and Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

7.03 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issue and Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders of Notes, Receipts and Coupons, notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 13 (*Notices*).

7.04 Unless the context otherwise requires, any reference in these Terms and Conditions to "**principal**" shall include any premium payable in respect of a Note, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "**interest**" shall include all amounts payable pursuant to Condition 4 (*Interest*) and any other amounts in the nature of interest payable to these Terms and Conditions.

8. Payments

8A Payments

8A.01 Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Note, payment of any instalment other than the final instalment) surrender of the relevant Bearer Notes at the specified office of any of the Issue and Paying Agents.

8A.02 Payment of amounts in respect of interest on Bearer Notes will be made:

(i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Issue and Paying Agents outside (unless Condition 8A.03 applies) the United States and, in the case of a Temporary Global Note, upon due certification as required therein;

(ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Issue and Paying Agents outside (unless Condition 8A.03 applies) the United States; and

(iii) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Notes, in either case at the specified office of any of the Issue and Paying Agents outside (unless Condition 8A.04 applies) the United States.

8A.03 Payments of amounts due in respect of interest on the Bearer Notes and exchanges of Talons for Coupon sheets in accordance with Condition 8A.03 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Issue and Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, and (b) such payment or exchange is permitted by applicable United States law. If parts (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

8A.04 If the due date for payment of any amount due in respect of any Bearer Note is not a Relevant Financial Centre Day (as defined in Condition 8B.02) and (in the case of Definitive Notes only) a local banking day (as defined in Condition 8B.02), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day (or as otherwise specified in the relevant Final Terms) and, thereafter will be entitled to receive payment on a Relevant Financial Centre Day and (in the case of Definitive Notes only) a local banking day and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4E.04.

8A.05 Each Definitive Note initially delivered with Coupons attached thereto should be presented and, save in the case of partial payment which includes, in the case of an Instalment Note, payment of any instalment other than the final instalment, surrendered for final redemption together with all unmatured Coupons and Talons appertaining thereto, failing which:

(i) in the case of Definitive Notes which bear interest at a fixed rate or rates (other than Reset Notes), the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Issue and Paying Agents at any time within ten years of the Relevant Date applicable to payment of such final redemption amount;

(ii) in the case of Definitive Notes which bear interest at, or at a margin above or below, a floating rate or which are Reset Notes, all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and

(iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 8A.05 notwithstanding, if any Definitive Notes which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

8A.06 In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 8A.03 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 9 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

8A.07 For the purposes of these Terms and Conditions, the "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

8B Payments — General Provisions

8B.01 Payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Notes not denominated in Renminbi will be made in the currency in which such amount is due by (a) cheque or (b) at the option of the payee, transfer to an account denominated in the relevant currency specified by the payee.

Payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Notes denominated in Renminbi will be made in Renminbi by transfer to an account denominated in Renminbi in Hong Kong specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

8B.02 For the purposes of these Terms and Conditions, save as otherwise defined, the following terms shall have the meaning set out below:

"**Business Day**" means a day:

- in relation to Notes denominated or payable in euro which is a TARGET Business Day; and
- in relation to Notes payable in any other currency, on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant currency; and, in either case,
- on which commercial banks are open for business and foreign exchange markets settle payments in any place specified in the relevant Final Terms;

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

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

"**local banking day**" means a day (other than a Saturday and Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Note or, as the case may be, Coupon;

"**Reference Rate**" means one of (i) the Euro Interbank Offered Rate ("**EURIBOR**"), (ii) the Sterling Overnight Interbank Average Rate ("**SONIA**"), (iii) the Secured Overnight Financing Rate ("**SOFR**") or (iv) such other rate, in each case, as specified in the relevant Final Terms;

"**Relevant Financial Centre**" means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "**Business Day**" in the ISDA Definitions;

"**Relevant Financial Centre Day**" means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre (which in the case of Australian dollars shall be Melbourne, in the case of New Zealand dollars shall be Wellington and which in the case of Renminbi shall be Hong Kong) and in any other place specified in the relevant Final Terms and in the case of payment in euro, a day which is a TARGET Business Day;

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

"**TARGET Business Day**" means any day on which the TARGET2 System, or any successor thereto, is open for the settlement of payments in euro; and

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) payment system which utilises a single shared platform and which was launched on 19 November 2007.

9. Prescription

9.01 In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 8A.05 or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 9 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Note.

9A English law

9A.01 If English law is specified as the governing law of the Notes in the relevant Final Terms, the provisions of Condition 9A shall apply to the Notes.

9A.02 Claims against the Issuer for payment of principal and interest in respect of Notes will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date for payment thereof.

9B Spanish law

9B.01 If Spanish law is specified as the governing law of the Notes in the relevant Final Terms, the provisions of Condition 9B shall apply to the Notes.

9B.02 Prescription (*prescripción*) of claims against the Issuer for payment of principal and interest in respect of Notes will be five years after the date on which such payment becomes due and payable.

10. The Issue and Paying Agents and the Determination Agent

10.01 The initial Issue and Paying Agents and their respective initial specified offices are specified below. The Determination Agent in respect of any Notes shall be specified in the Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent) or the Determination Agent and to appoint additional or other Issue and Paying Agents or another Determination Agent provided that it will at all times maintain (i) an Issue and Paying Agent, (ii) a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a continental European city, (iii) so long as the Notes are listed on Euronext Dublin and/or any other listing authority, stock exchange and/or quotation system, a Paying Agent (which may be the Issue and Paying Agent) with a specified office in such place as may be required by the rules of such other listing authority, stock exchange and/or quotation system, (iv) in the circumstances described in Condition 8A.03, a Paying Agent with a specified office in New York City, and (v) a Determination Agent where required by the Terms and Conditions applicable to any Notes (in the case of (i), (ii) and (v) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Issue and Paying Agents and the Determination Agent reserve the right at any time to change their respective offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Issue and Paying Agents or the Determination Agent will be given promptly by the Issuer to the Holders of the Notes in accordance with Condition 13 (*Notices*).

10.02 The Issue and Paying Agents and the Determination Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

11. **Replacement of Notes**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent or Issue and Paying Agents as may be specified for such purpose in the relevant Final Terms (in the case of Notes and Coupons), subject to all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on which the relevant Notes are listed and/or quoted, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence,

security, indemnity and otherwise as the Issuer and the Issue and Paying Agent or the relevant Paying Agent may require. Mutilated or defaced Notes and Coupons must be surrendered before replacements will be delivered therefor.

12. **Syndicate of Holders of the Notes and Modification**

The Holders of the Notes of the relevant Series shall meet in accordance with the regulations governing the relevant Syndicate of Holders of the Notes (the "**Regulations**"). The Regulations contain the rules governing the functioning of each Syndicate of Holders of the Notes, including the provisions for meetings of such Syndicate to take place, and the rules governing its relationship with the Issuer and shall be attached to the relevant Public Deed of Issuance. A set of pro forma Regulations is included in this Base Prospectus and in the Issue and Paying Agency Agreement.

A Commissioner will be appointed for each Syndicate and will be specified in the relevant Final Terms.

The Issuer may, with the consent of the Issue and Paying Agent and the relevant Commissioner, but without the consent of the Holders of the Notes of any Series or Coupons, amend these Terms and Conditions, the Notes, the Coupons, the Talons, the Deed of Covenant and the Issue and Paying Agency Agreement, insofar as they may apply to such Notes to correct a manifest error or to make any modification that is of a minor, formal or technical nature or to comply with a mandatory provision of law. Subject as aforesaid, no other modification may be made to these Terms and Conditions, the Notes, the Coupons, the Talons, the Deed of Covenant or the Issue and Paying Agency Agreement except with the sanction of a resolution of the relevant Syndicate of Holders of Notes.

For the purposes of these Terms and Conditions,

(i) "**Commissioner**" means the trustee (*comisario*) as this term is defined under the Consolidated Text of Law on Limited Liability Companies approved by Legislative Royal Decree 1/2010 dated 2 July (*Texto Refundido de la Ley de Sociedades de Capital*) ("**Spanish Companies Law**") of each Syndicate of Holders of the Notes; and

(ii) "**Syndicate**" means the syndicate (*sindicato*) as this term is described under the Spanish Companies Law.

13. **Notices**

13.01 Notices to Holders of Notes will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if published in an English language daily newspaper in London (which is expected to be the *Financial Times*) or on the website of Euronext Dublin if the Notes are listed on Euronext Dublin (so long as such Notes are listed on Euronext Dublin and the rules of that exchange so require), in a leading newspaper having general circulation in Ireland or, in either case if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe or, in the case of a Temporary Global Note or Permanent Global Note, if delivered to Euroclear and Clearstream, Luxembourg and any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Notes admitted to listing on any listing authority, stock exchange and/or quotation system, the requirements of such listing authority, stock exchange and/or quotation system, have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the first date on which publication is made) or, as the case may be, on the fourth day after the date of such delivery to Euroclear and Clearstream, Luxembourg and any other relevant clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition.

To Commissioners

13.02 Copies of any notice given to any Holders of the Notes will be also given to the Commissioner of the Syndicate of Holders of the Notes of the relevant Series.

14. **Further Issues**

The Issuer may, from time to time without the consent of the Holders of any Notes or Coupons create and issue further instruments, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of any particular Series.

15. **Currency Indemnity**

The currency in which the Notes are denominated or, if different, payable, as specified in the relevant Final Terms (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

16. **Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

17. **Law and Jurisdiction**

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

17A **English law**

If English law is specified as the governing law of the Notes in the relevant Final Terms, the provisions of this Condition 17A shall apply to the Notes.

Governing Law

17A.01 The issue of the Notes, including their legal nature (*obligaciones*), the status of the Notes, the capacity of the Issuer, the relevant corporate resolutions, the appointment of the Commissioner and the constitution of the Syndicates of Holders of the Notes are governed by Spanish law. The terms and conditions of the Notes (other than Condition 3 (*Status of the Notes*), and Condition 12 (*Syndicate of Holders of the Notes and Modification*) which are governed by Spanish law), the Issue and Paying Agency Agreement and the Deed of Covenant and all non-contractual obligations arising out of or in connection with the terms and conditions of the Notes, the Issue and Paying Agency Agreement and the Deed of Covenant, are governed by, and shall be construed in accordance with, English law.

Jurisdiction

17A.02 The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or in connection with the Notes including a dispute regarding the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity.

Notwithstanding the above, the Courts of the city of Madrid (Spain) are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the exercise of the Bail-in Power by the Relevant Resolution Authority (a "**Bail-in Dispute**") and accordingly, each of the Issuer and any Holders in relation to any Bail-In Dispute submits to the exclusive jurisdiction of such Courts. Each of the Issuer and any Holders in relation to any Bail-In Dispute further waives any objection to the Courts of the city of Madrid (Spain) on the ground that they are an inconvenient or inappropriate forum to settle a Bail-in Dispute.

17A.03 The Issuer irrevocably waives any objection which they might now or hereafter have to the courts of England being nominated as the forum to hear and determine any proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

17A.04 Without prejudice to any other mode of service allowed under any relevant law, the Issuer irrevocably (a) appoints Banco Santander S.A., London Branch at 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom as its agent for service of process in relation to any Proceedings or, if different, at any other address of the Issuer in Great Britain at which service of process may from time to time be served on it and (b) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the Proceedings concerned. If the appointment of the person mentioned in this Condition 17A.04 ceases to be effective, the Issuer shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to the Issue and Paying Agent and, failing such appointment within fifteen days, any Holder of Notes shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue and Paying Agent. Nothing contained herein shall affect the right of any Holder of Notes to serve process in any other manner permitted by law. This condition applies to proceedings in England and to proceedings elsewhere.

17A.05 The submission to the exclusive jurisdiction of the courts of England is for the benefit of the Holders of the Notes only and therefore shall not (and shall not be construed so as to) limit the right of the Holders of the Notes or any of them to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

17B **Spanish law**

If Spanish law is specified as the governing law of the Notes in the relevant Final Terms, the provisions of this Condition 17B shall apply to the Notes.

Governing Law

17B.01 The Notes, any non-contractual obligations arising out of or in connection with the Notes shall be governed by, and shall be construed in accordance with, Spanish law.

Jurisdiction

17B.02 The Issuer hereby irrevocably agrees for the benefit of each of the Holders that the Courts of the city of Madrid (Spain) are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes) and that accordingly any suit, action or proceedings arising out of or in connection with the Notes (together referred to as "**Proceedings**") may be brought in such courts.

17B.03 The Issuer irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any Proceedings in the courts of the city of Madrid (Spain). To the extent permitted by law, nothing contained in this Condition 17B shall limit any rights of any Holders (other than in relation to a Bail-in Dispute) to take Proceedings against the Issuer in any other court of competent

jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not.

17B.04 In addition, the Courts of the city of Madrid (Spain) have exclusive jurisdiction to settle any Bail-in Dispute and accordingly each of the Issuer and any Holders in relation to any Bail-in Dispute submits to the exclusive jurisdiction of the Courts of the city of Madrid (Spain). Each of the Issuer and any Holders in relation to any Bail-in Dispute further waives any objection to the Courts of the city of Madrid (Spain) on the ground that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

18. **Rights of Third Parties**

In the case of Notes specified in the Final Terms as being governed by English law, no person shall have any right to enforce any term or condition of any Series of Notes under the Contracts (Rights of Third Parties) Act 1999.

19. **Recognition of Stay Powers**

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understanding between the Issuer and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 19, 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 Noteholders and/or a right of the Issuer and the Noteholders, as applicable, under the Notes, that (without limitation) may include and result in any of the following, or some combination thereof:

(i) the suspension of any payment or delivery obligation if the Issuer is failing or likely to fail or under resolution;

(ii) the restriction of enforcement of security interests if the Issuer is under resolution; and

(iii) the temporary suspension of termination rights if the Issuer is under resolution.

(b) the fact that the exercise of Stay Powers by the Relevant Resolution Authority shall not constitute nonperformance 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 Condition 19:

"**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.

20. **Bail-in**

Acknowledgement

20.01 Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of the Notes, each Holder (which for the purposes of this Condition 20 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees:

(a) 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 (as defined below) on a permanent basis;

- the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Holder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

- the cancellation of the Notes or Amounts Due;

- the amendment or alteration of the maturity of the Notes or amendment of the Interest Amount payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

For the purposes of the Terms and Conditions:

"**Amounts Due**" means the principal amount or outstanding amount, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes. 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.

Payment of Interest and Other Outstanding Amounts Due

20.02 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 EU applicable to the Issuer or other members of the Consumer Group.

Notice to Holders

20.03 Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the Holders as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Agents for information purposes. Any delay or failure to give notice to the Holders will not affect the validity or enforceability of the Bail-in Power.

Duties of the Agents

20.04 Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Agents shall not be required to take any directions from Holders, and (b) the Issue and Paying Agency Agreement shall impose no duties upon any of the Agents whatsoever, in each case with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.

Proration

20.05 If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless any of the Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-in Power will be made on a pro-rata basis.

Conditions Exhaustive

20.06 The matters set forth in this Condition 20 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.

21. **Waiver of Set-off**

If this Condition 21 is specified in the relevant Final Terms as being applicable to the Notes, no Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Notes) and each Holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

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

For the purposes of these Terms and Conditions:

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

22. **Substitution and Variation**

If this Condition 22 is specified in the relevant Final Terms as being applicable to the Notes, and a Capital Disqualification Event, a TLAC/MREL Disqualification Event or a circumstance giving rise to the right of the Issuer to redeem the Notes for taxation reasons under Condition 5.02 occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes (as the case may be) or modify the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to, become, or remain, Qualifying Notes, subject to having given not less than 15 nor more than 60 calendar days' notice to the Holders in accordance with Condition 13, the Issue and Paying Agent (which notice shall be irrevocable and shall specify the date for substitution or, as applicable, variation), and subject to obtaining the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and in accordance with Applicable Banking Regulations in force at the relevant time.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

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

In these Terms and Conditions:

"**Qualifying Notes**" means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer, other than in respect of the effectiveness and enforceability of Condition 20, that have terms not otherwise materially less favourable to the Holders than the terms of the Notes provided that the Issuer shall have delivered a certificate signed by two authorised signatories to that effect to the Issue and Paying Agent and the Commissioner not less than five Business Days prior to (x) in the case of a substitution of the Notes pursuant to this Condition 22,

the issue date of the relevant securities or (y) in the case of a variation of the Notes pursuant to this Condition 22, the date such variation becomes effective, provided that such securities shall:

(a) (i) in the case of Notes eligible to comply with TLAC/MREL Requirements, contain terms which comply with the then current requirements for TLAC/MREL-Eligible Notes as embodied in the Applicable Banking Regulations, and (ii) in the case of Tier 2 Subordinated Notes, contain terms which comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer; and

(b) carry the same rate of interest as the Notes prior to the relevant substitution or variation pursuant to this Condition 22; and

(c) have the same denomination and aggregate outstanding principal amount as the Notes prior to the relevant substitution or variation pursuant to this Condition 22; and

(d) have the same date of maturity and the same dates for payment of interest as the Notes prior to the relevant substitution or variation pursuant to this Condition 22; and

(e) have at least the same ranking as set out in Condition 3; and

(f) not, immediately following such substitution or variation, be subject to a Capital Disqualification Event, a TLAC/MREL Disqualification Event and/or an early redemption right for taxation reasons according to Condition 5.02, as applicable; and

(g) be listed or admitted to trading on any stock exchange as selected by the Issuer, if the Notes were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation pursuant to this Condition 22.

For the avoidance of doubt, (i) any change in the governing law of the Notes from English law to Spanish law so that the English Notes become again or remain Qualifying Notes shall not be subject to the requirement not to be materially less favourable to the interests of the Holders of the English law Notes; and (ii) any variation in the ranking of the relevant Notes as set out in Condition 3 resulting from any such substitution or modification shall be deemed not to be materially less favourable to the interests of the Holders of the Notes where the ranking of such Notes following such substitution or modification is at least the same ranking as is applicable to such Notes under Condition 3 on the issue date of such Notes.

23. **Direct Rights**

If any Global Note representing all or part of a Tranche of Notes becomes void in accordance with its terms, each Accountholder shall have against the Issuer all rights granted under (i) this Condition 23, (ii) in the case of Spanish law Notes, the provisions of the Global Notes, and (iii) in the case of English law Notes, the provisions of the Deed of Covenant ("**Direct Rights**") which such Accountholder would have had in respect of the Notes if, immediately before the Determination Date in relation to that Global Note, it had been the holder of Definitive Notes of that Tranche, duly executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Accountholder's Entries relating to such Global Note including (without limitation) the right to receive all payments due at any time in respect of such Definitive Notes as if such Definitive Notes had (where required by these Conditions) been duly presented and (where required by these Conditions) surrendered on the due date in accordance with these Conditions. Anything which might prevent the issuance of Definitive Notes in an aggregate principal amount equal to the Principal Amount of any Entry of any Accountholder shall be disregarded for the purposes of this Condition 23, but without prejudice to its effectiveness for any other purpose.

No further action shall be required on the part of the Issuer or any other person:

– *Direct Rights:* for the Accountholders to enjoy the Direct Rights; or

– *Benefit of the Conditions:* for each Accountholder to have the benefit of the Conditions as if they had been incorporated *mutatis mutandis* into the Deed of Covenant (in the case of English law Notes) or the Global Notes (in the case of Spanish law Notes),

provided, however, that nothing herein shall entitle any Accountholder to receive any payment in respect of any Global Note which has already been made.

The Direct Rights are subject to the limitations contained in the Spanish Companies Law (as defined above).

In this Condition 23:

"**Accountholder**" means a holder of a securities account, except for a Clearing System or a Custodian to the extent that any securities, or rights in respect of securities, credited to such Clearing System or Custodian's securities account are held by such Clearing System or Custodian for the account or benefit of a holder of a securities account with that Clearing System or Custodian;

"**Clearing System**" means Clearstream, Luxembourg, Euroclear or any other clearing system as may be specified in the relevant Final Terms;

"**Custodian**" means a person who acknowledges to a Clearing System (or to a Custodian and therefore indirectly to a Clearing System) that it holds securities, or rights in respect of securities, for the account or benefit of that Clearing System (or Custodian);

"**Determination Date**" means, in relation to any Global Note, the date on which such Global Note becomes void in accordance with its terms;

"**Entry**" means, in relation to a Global Note, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by such Global Note;

"**Global Notes**" means a global instrument (whether in temporary or permanent form) issued pursuant to the Issue and Paying Agency Agreement; and

"**Principal Amount**" means, in respect of any Entry, the aggregate principal amount of the Notes to which such Entry relates.

PART A - PRO FORMA REGULATIONS

OF THE SYNDICATE OF THE HOLDERS OF THE NOTES

Part 1
Pro Forma Regulations

The following is an English translation of the pro forma Regulations as attached to the relevant public deed of issuance in respect of each issue. In the event of any discrepancies between this translation and the Spanish language original, the Spanish version of these Regulations shall prevail.

REGULATIONS OF THE SYNDICATE OF HOLDERS FOR THE ISSUE OF NOTES BY SANTANDER CONSUMER FINANCE, S.A.

CHAPTER I

Article 1. Object. – The object of this Syndicate is to protect the legitimate interests of Noteholders as against the Issuer, in accordance with current law and these Regulations, by using and preserving such interests collectively and through the representation determined by these Regulations.

Article 2. Address. – The address of the Syndicate shall be Boadilla del Monte, Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Madrid. The General Meeting may, however, take place at any other location in Madrid for reasons of convenience or, even by way of conference call or by use of a videoconference platform, and such location or way to hold the General Meeting shall be specified in the relevant notice of meeting.

Article 3. Duration. – The Syndicate shall exist until the rights of Noteholders to principal, interest and any other right shall have been fulfilled. The Syndicate shall be automatically dissolved upon the fulfilment of all such rights.

CHAPTER II

Governance of Syndicate

Article 4. Governance. The governance of the Syndicate lies with the General Meeting and the Commissioner.

CHAPTER III

General Meeting

Article 5. Legal Nature. - A duly convened and constituted General Meeting is the body that expresses the will of the Syndicate and its resolutions, approved in accordance with these Regulations, binding all Noteholders in the manner established by current law.

Article 6. Convening General Meetings. - The General Meeting shall be convened by the Board of Directors of Santander Consumer Finance, S.A. or by the Commissioner, whenever they consider it appropriate. However, the Commissioner shall convene a General Meeting whenever the Noteholders, representing at least one-twentieth of the Notes outstanding, request a General Meeting in writing and specify in such request the aim of such a meeting. In this case, the General Meeting shall be held within thirty days following the date on which the Commissioner receives such a request.

Article 7. Method of Convening General Meetings. - The General Meeting shall be convened (i) by publication in an English language newspaper in London (which is expected to be the Financial Times) and so long as any Note is listed on Euronext Dublin and Euronext Dublin so requires, by publication on the website of Euronext Dublin; (ii) by mail or e-mail to Euroclear Bank SA/NV as Euroclear system operator, Clearstream Banking, S.A. Luxembourg, or any other relevant clearing system; (iii) by publication of an announcement, in the Official Bulletin of the Mercantile Registry (*Boletín Oficial del Registro Mercantil)*; and (iv) in one of the daily newspapers of greatest circulation in Madrid; in each case not less than fifteen (15) days in advance.

Article 8. Right of Attendance. - All Noteholders who have registered their name in the relevant securities account of at least one outstanding Note not less than 5 days prior to the date of the General Meeting shall

be entitled to attend such meeting. The Directors of Santander Consumer Finance, S.A. shall be entitled to attend the General Meeting, even if they are not given notice.

The Commissioner or the Issuer may approve the attendance of such experts or other advisers as it may deem necessary. The Commissioner must assist to the General Meeting even if had not been convened by the latter.

Article 9. Proxies. - All Noteholders with a right to attend the General Meeting shall be entitled to delegate their representation in any manner permitted by the Spanish Companies Law. The right to represent shall be conferred in writing for each General Meeting.

Article 10. Resolutions of the General Meeting. - The General Meeting shall approve valid resolutions with the absolute majority of votes cast. By way of exception, amendments to term of the Notes or conditions for the redemption of the nominal value of the Notes, to the Notes conversion or its exchange will require the vote of two thirds of outstanding Notes.

The resolutions approved according to this article shall be binding on all Noteholders, including those that do not attend or those that dissent.

Article 11. Chair. - The General Meeting shall be chaired by the Commissioner, who shall direct debates, deem discussions to be ended, as appropriate, and rule, in each case, whenever matters should be subject to a vote.

Article 12. General Meeting. - The General Meeting shall be held in Madrid, at the place and on the date set out in the announcement or, if the Board of Directors of the Issuer or the Commissioner, as the case may be, deemed to be appropriate, by way of conference call or by use of a videoconference platform as set out in the announcement.

Article 13. Attendance List. - Before starting the agenda, the Commissioner shall make a list of attendees describing the nature or form of representation of each attendee and the number of Notes owned or held on behalf of another in respect of each attendee, totalling at the end of the list the number of Notes in attendance or represented, as well as the number of Notes in circulation.

Article 14. Right to Vote. – Each Note shall confer the Noteholder with a voting right proportionate to the outstanding nominal value of the Notes owned by such Noteholder.

Article 15. Powers of the General Meeting. - The General Meeting may approve resolutions necessary for the better protection of the legitimate interests of the Noteholders as against the Issuer; modify, in agreement with the Issuer and with the relevant prior official authority, the terms and conditions of the Notes and adopt decisions on other similar matters; remove and appoint the Commissioner; exercise any corresponding judicial proceedings; and approve the expenses incurred in the protection of common interests.

Article 16. Challenges to Resolutions. - Resolutions of the General Meeting may be challenged by Noteholders in the circumstances set out in the Spanish Companies Law.

Article 17. Minutes.– Minutes of a General Meeting may be approved by the General Meeting itself immediately after the meeting, or otherwise within fifteen days following the date of the General Meeting, by the Commissioner and two Noteholders assigned such responsibility by the General Meeting.

Article 18. Certification. - The certification of the minute book shall be expedited by the Commissioner.

CHAPTER IV

The Commissioner

Article 19. Legal Nature of the Commissioner. - The Commissioner is concerned with the legal representation of the Syndicate and to act as the relationship body between the Syndicate and the Issuer.

Article 20. Appointment and Duration of Post. - The Commissioner shall be appointed by the General Meeting and shall exercise his post until substituted at a General Meeting.

Article 21. Powers. - The powers of the Commissioner shall be:

1. Protecting the common interests of the Noteholders.

2. Calling and chairing General Meetings.

3. Ability to attend, with the right to speak but not vote, the deliberations and meetings of the General Shareholders' Meetings of Santander Consumer Finance, S.A.

4. Informing the Issuer of the resolutions of the Syndicate.

5. Requiring from the Issuer the reports that either himself or the General Meeting determine to be of interest to the Noteholders.

6. Supervising the payment of interest and principal.

7. Execution of resolutions of the General Meeting.

8. When the Issuer, by a reason imputable to it, postpones for more than six months the redemption of principal and payment of interest, the Commissioner shall have the power to propose to the Board the suspension of any of the directors and to call a General Shareholders' Meeting, if it has not already been called, when it considers that the directors should be substituted.

Article 22. Responsibility. - The Commissioner shall be responsible against the Noteholders and, if applicable, against the Issuer for all damages caused by lack of the required professional diligence in the performance of its duties.

CHAPTER V

General Arrangements

Article 23. Syndicate Expenses. - Ordinary expenses resulting from the maintenance of the Syndicate shall be for the account of Santander Consumer Finance, S.A., but they will not, in any case, exceed 2% of the gross annual interest accrued by the issued Notes.

Article 24. Accounts. - The Commissioner shall be responsible for keeping the accounts of the Syndicate and will submit them for approval to the General Meeting and to the Board Meeting of Santander Consumer Finance, S.A.

Article 25. Dissolution of the Syndicate. - If the Syndicate is dissolved for one of the reasons given in Article 3, the Commissioner in charge at the time shall continue with his duties until the dissolution of the Syndicate and shall produce final accounts to the last General Meeting and to the Board of Directors of Santander Consumer Finance, S.A.

Article 26. Jurisdiction. - For the purposes of any issues arising from these Regulations, the Noteholders, by reason only of being such, expressly renounce their own jurisdiction for that of the courts of Madrid.

Article 27. (Additional). - The current applicable legislation shall apply to matters for which no provision is made in these Regulations.

PART B - PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. (A) **As used in this Schedule, the following expressions shall have the following meanings unless the context otherwise requires:**

   (1) "**voting certificate**" shall mean a certificate in the English language issued by any Paying Agent and dated, in which it is stated:

      (a) that on the date thereof outstanding Notes of any Series (not being Notes in respect of which a block voting instruction (as defined below) has been issued and is outstanding

in respect of the meeting specified in such voting certificate or any adjournment thereof) bearing specified serial numbers have been deposited to the order of such Paying Agent and that no such Notes will be released until the first to occur of:

(i) the conclusion of the meeting specified in such certificate or any adjournment thereof; and

(ii) the surrender of the certificate to such Paying Agent; and

(b) that the bearer thereof or his duly appointed representative is entitled to attend and vote at such meeting or any adjournment thereof in respect of the Notes represented by such certificate; and

(2) "**block voting instruction**" shall mean a document in the English language issued by any Paying Agent and dated, in which:

(a) it is certified that outstanding Notes of any Series (not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction or any adjournment thereof) have been deposited to the order of such Paying Agent and that no such Notes will be released until the first to occur of:

(i) the conclusion of the meeting specified in such document or any adjournment thereof; and

(ii) the surrender, not less than 5 days before the time for which such meeting or adjournment thereof is convened, of the receipt for each such deposited Note which has been deposited to the order of such Paying Agent, coupled with notice thereof being given by such Paying Agent to the Issuer; or

(b) it is certified that each depositor of such Notes or a duly authorised agent on his or its behalf has instructed the Paying Agent that the vote(s) attributable to his or its Notes so deposited should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjournment thereof and that all such instructions are, during the period of 5 days prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment;

(c) the total number, principal amount outstanding and the serial numbers and series numbers of the Notes so deposited are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) any person named in such document (hereinafter called a "**proxy**") is authorised and instructed by the Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (b) and (c) above as set out in such document.

(B) Voting certificates and block voting instructions shall be valid for so long as the relevant Notes shall not have been released and during the validity thereof the holder of any such voting certificate or, as the case may be, the proxy shall, for all purposes in connection with any meeting of Noteholders, be deemed to be the Noteholder of the relevant Series to which such voting certificate, or block voting instructions relates and, in the case of Notes, the Paying Agent to the order of whom such Notes have been deposited.

2. Whenever the Issuer or the relevant Commissioner is about to convene any such meeting it shall forthwith give notice in writing to the Issue and Paying Agent of the day, time and place (or way to held the General Meeting) thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held in Madrid (or by way of conference call or by use of a videoconference platform) at such time as the Issue and Paying Agent may approve.

3. A copy of the notice shall be given to the Issuer unless the meeting is convened by the Issuer and a copy shall be given to the Issue and Paying Agent. Such notice shall be given in the manner provided in the Conditions and shall specify the terms of the resolutions to be proposed and shall include, *inter alia*, statements to the effect that Notes of the relevant Series may be deposited with (or to the order of) any Paying Agent for the purpose of obtaining voting certificates or appointing proxies until 5 days before the time fixed for the meeting but not thereafter.

4. Subject to article 8 of the Syndicate Regulations, the Issue and Paying Agent and the Issuer (through their respective representatives and save as permitted by the provisions of the Dealership Agreement) and their respective financial and legal advisers shall be entitled to attend and speak at any meeting of the Noteholders. No person shall be entitled to attend (save as aforesaid) or vote at any meeting of the Noteholders or to join with others in requesting the convening of such a meeting unless that person is a Noteholder or a voting certificate or is a proxy.

5. Each block voting instruction, together (if so required by the Issuer) with proof satisfactory to the Issuer of its due execution, shall be deposited at such place as the Issuer shall reasonably designate not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxy named in the block voting instruction proposes to vote and in default the block voting instruction shall not be treated as valid unless the Commissioner decides otherwise before such meeting or adjourned meeting proceeds to business. A certified copy of each such block voting instruction shall, if required by the Issuer, be produced by the proxy at the meeting or adjourned meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of, or the authority of the proxy named in, any such block voting instruction.

6. Without prejudice to paragraph 1, any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the Noteholders' instructions pursuant to which it was executed, provided that no intimation in writing of such revocation or amendment shall have been received by the Issuer or by the Commissioner, in each case not less than 24 hours before the commencement of the meeting or adjourned meeting at which the block voting instruction is used.

7. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer.

8. Any Notes which have been purchased or are held by (or on behalf of) the Issuer or any of their respective subsidiaries but which have not been cancelled shall, unless or until resold, be deemed not to be outstanding for the purposes of this Schedule.

9. For the purposes of this Schedule, "**principal amount outstanding**" means, on any date, the principal amount of that Note on its date of issue (i) less, in respect of any Instalment Note any instalment of principal in respect of that Note that has become due and payable and either has been paid to the relevant Noteholder or in respect of which the Relevant Date (as defined in the Terms and Conditions) shall have occurred.

FORM OF FINAL TERMS

[*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.]*]

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

[*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR [100,000] (or its equivalent in another currency).*]

[**MIFID II product governance / Retail investors, professional investors and ECPs 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, professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended ("**MiFID II**"); and **EITHER** [(ii) all channels for distribution of the Notes are appropriate] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate [[] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[**EU PRIIPs Regulation / 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; (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.][3]

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

[**UK PRIIPs Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise

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

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**")]; (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 Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] [4]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time** (the "**SFA**") – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes to be [capital markets products other than] prescribed capital markets products (as defined in the CMP Regulations 2018) and [Excluded]/ [Specified] Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][5]

[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 European Securities and Markets Authority pursuant to Article 36 of the Benchmark 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).*]

Final Terms dated []

Santander Consumer Finance, S.A.
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the EUR 25,000,000,000
Euro Medium Term Note Programme

[Any person making or intending to make an offer of the Notes may only do so[:

(i) in those Public Offer Jurisdictions mentioned in Paragraph 8(vi) of Part B below, provided such person is a Dealer or Authorised Offeror (as such term is defined in the Base Prospectus) and that such offer is made during the Offer Period specified for such purpose therein and that any conditions relevant to the use of the Base Prospectus are complied with; or

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

[5] Legend to be included on front of the Final Terms if the Notes do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

(ii) otherwise][6] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 1(4) and 5 of the Prospectus Regulation or supplement a prospectus pursuant the Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU of 14 June 2017][7]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**) set forth in the base prospectus dated 17 June 2021 [and the supplemental base prospectus dated [*insert date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. However, a summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectus is available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [19 June 2020]/[18 June 2019]/[18 June 2018]/[15 June 2017]/[16 June 2016]/[12 June 2015]/[24 June 2014]/[26 June 2013] [and the supplement(s) to it dated [*insert date*] which are incorporated by reference in the base prospectus dated 17 June 2021. This document constitutes the Final Terms of the Notes described herein for the purposes the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 17 June 2021 [and the supplement(s) to it dated [*insert date*], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **"Base Prospectus")**, save in respect of the Conditions which are extracted from the Prospectus dated [[19 June 2020]/[18 June 2019]/[18 June 2018]/[15 June 2017]/[16 June 2016]/[12 June 2015]/[24 June 2014]/[26 June 2013]]] [and the supplement(s) to it dated [*insert date*] in order to obtain all the relevant information. The Base Prospectus is available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].]

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

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

1.	Issuer:		Santander Consumer Finance, S.A.
2.	(i)	Series Number:	[]

[6] Include this wording where a non-exempt offer of Notes is anticipated.

[7] Do not include if the "Prohibition of Sales to EEA and UK Retail Investors" legend is included (because the notes potentially constitute "packaged" products and **no** key information document will be prepared) and the related selling restriction is specified to be "Applicable".

	[(ii)]	Tranche Number:	[]
	[(iii)	Date on which the Notes become fungible:	[Not applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [23] below [which is expected to occur on or about [*insert date*]]].]
3.	Specified Currency or Currencies:		[]
4.	Aggregate Principal Amount:		[]
	[(i)	Series:	[]
	(ii)	Tranche:	[]]
5.	Issue Price:		[] % of the Aggregate Principal Amount [plus accrued interest from [*insert date*] (if applicable)]
6.	Specified Denominations:		[]
7.	Calculation Amount:		[*the Specified Denomination*]
8.	(i)	Issue Date:	[]
	(ii)	Trade Date	[]
	[(iii)	Interest Commencement Date:	[Specify/Issue Date/Not applicable]]
9.	Maturity Date:		[*Specify date or (for Floating Rate Notes or Renminbi denominated Notes if applicable) Interest Payment Date falling in the relevant month and year*]
10.	Interest Basis:		[[] % Fixed Rate] [Reset Notes] [Floating Rate: [difference between] [EURIBOR] [and] [SONIA] [and] [SOFR] [and] [*insert Floating Rate Option*] [+/-] [multiplied by] [] %] [Zero Coupon] [CMS-Linked: [*constant maturity swap rate appearing on the Relevant Screen Page*] +/- [] %] (further particulars specified below at paragraph [15/16/17/18])
11.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount].
12.	Change of Interest Basis or Redemption/Payment Basis		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*] [Not applicable]

13.	Put/Call Options:		[Investor Put][8] [Issuer Call][9] (further particulars specified below at paragraph [19/20])
14.	[(i)]	Status of the Notes:	[Ordinary Senior Notes/Senior Non Preferred Notes/Subordinated Notes-Senior Subordinated Notes/Subordinated Notes-Tier 2 Subordinated Notes] [The Subordinated Notes-Tier 2 Subordinated Notes are intended to constitute Tier 2 Notes of the Issuer]
	[(ii)]	[Date [Board] approval for issuance of Notes obtained:	*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		[Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[] % per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[] in each year [adjusted in accordance with [specify Business Day Convention/not adjusted].
	(iii)	Fixed Coupon Amount[(s)]:	[[] per [] Principal Amount]/[The Fixed Coupon Amount shall be calculated by applying the Rate of Interest to the [Specified Denomination/Calculation Amount] for each Note, multiplying the product by the Day Count Fraction, rounding the resulting figure to the nearest unit of CNY (with halves being rounded up)].
	(iv)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360]

[8] *Not applicable in the case of Subordinated Notes. When applicable Euroclear must be given a minimum of 5 business days´ notice and Clearstream, Luxembourg must be given a minimum of 15 business days´ notice of exercise of Investor put option.*

[9] *Euroclear and Clearstream, Luxembourg must be given 5 business days' notice of exercise of Issuer call option.*

			[30E/360 (ISDA)]
	(v)	Determination Dates:	[] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*). (*N.B. only relevant where Day Count Fraction is Actual/Actual* (*[ICMA]*)
	(vi)	Broken Amount(s):	[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
16.	Floating Rate and CMS-Linked Note Provisions		[Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] (*If applicable, Condition 4B of the Terms and Conditions of the Notes will apply*) (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]]
	(ii)	Interest Payment Date(s):	[] in each year [adjusted in accordance with [*Business Day Convention*]
	(iii)	First Interest Payment Date:	[]
	(iv)	Business Day Convention	[]
	(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vi)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Issue and Paying Agent]):	[]
	(vii)	Margin Plus Rate:	[Applicable] [Not Applicable]
	(viii)	Specified Percentage Multiplied by Rate:	[Applicable] [Not Applicable]
	(ix)	Difference in Rates:	[Applicable] [Not Applicable]
		(a) Rate 1:	[Screen Rate Determination] [ISDA Determination]
		(b) Rate 2:	[Screen Rate Determination] [ISDA Determination]
	(x)	Screen Rate Determination	
		(a) Reference Rate:	[EURIBOR][SONIA][SOFR][constant maturity swap rate]
		(b) Interest Determination Date(s):	[ ]

		[[ ] London Banking Days prior to each Interest Payment Date] (*Include where the Reference Rate is SONIA*)
		[[ ] U.S. Government Securities Business Days prior to each Interest Payment Date] (*Include where the Reference Rate is SOFR*)
(c)	Relevant Screen Page:	[] [*Other examples: Reuters EURIBOR 01*]
(d)	[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]]]
(e)	Observation Method:	[*Include where the Calculation Method is SONIA Compounded Daily:* [Lag]/[Lock-out]/[Shift]]
(f)	"p":	[[specify] [London Banking Days]/[U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]] (*Include where the Reference Rate is SONIA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback))*
(g)	[Observation Shift Days:	[[specify] U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]] (*Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift*)
(h)	Interest Payment Delay:	[Not Applicable / [ ] U.S. Government Securities Business Day(s)]] (*Include where the Reference Rate is SOFR)*
(i)	Interest Period End Dates:	[specify] [The Interest Payment Date for such Interest Period] [Not Applicable] (*Include where the Reference Rate is SONIA and the Observation Method is "Shift" or SOFR and the Calculation Method is Compound with Payment Delay*)
(j)	[SOFR Cut-Off Date:	[As per Conditions]/[[specify] U.S. Government Securities Business Days]/[Not applicable]] (*Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean*)

	(k)	[SOFR Replacement Alternatives Priority:	[As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition 4B.05(D).]]
	(l)	Relevant Time:	[]
	(m)	ISDA Determination:	
	(n)	Floating Rate Option:	[]
	(o)	Designated Maturity:	[]
	(p)	Reset Date:	[]
	(q)	ISDA Benchmarks Supplement	[Applicable/Not Applicable]]
	(r)	[Linear Interpolation:	Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(s)	Margin(s):	[+/-] [] % per annum
	(t)	Minimum Rate of Interest:	[] % per annum /
	(u)	Maximum Rate of Interest:	[] % per annum
	(v)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
	(w)	Specified Percentage:	[] %
	(x)	Constant maturity swap rate:	[]
	(y)	Step Up Provisions:	[Applicable/Not Applicable]
	(z)	Step Up Margin:	[] %
17.	Zero Coupon Note Provisions		[Applicable/Not Applicable] *(If applicable, Condition 4C of the Terms and Conditions of the Notes will apply)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Amortisation Yield:	[] % per annum
	(ii)	Day Count Fraction relating to Early Redemption Amounts:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)]

			[Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
18.	Reset Note Provisions		[Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] (*If applicable, Condition 4D of the Terms and Conditions of the Notes will apply*) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Initial Rate of Interest:	[] % per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
	(ii)	First Margin:	[+/-][] % per annum
	(iii)	Subsequent Margin:	[[+/-][] % per annum] [Not Applicable]
	(iv)	Interest Payment Date(s):	[] in each year [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
	(v)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[] per [] specified denomination [for the [ ] Interest Period] [*repeat information if necessary*]
	(vi)	First Reset Date:	[] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
	(vii)	Second Reset Date:	[]/[Not Applicable] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
	(viii)	Subsequent Reset Date(s):	[] [and []] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
	(ix)	Reset Reference Rate:	[Mid-Swap Rate/Sterling Reference Bond Rate/Non- Sterling Reference Bond Rate/U.S. Treasury Rate]
	(x)	Initial Reference Rate:	[[•]/Not Applicable]
	(xi)	Reset Determination Time:	[•]
	(xii)	Relevant Screen Page:	[]
	(xiii)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(xiv)	Mid-Swap Maturity:	[]
	(xv)	Fixed Leg Swap Duration:	[]
	(xvi)	Minimum Rate of Interest:	[] % per annum
	(xvii)	Maximum Rate of Interest:	[] % per annum
	(xviii)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]

(xix)	Determination Dates:	[] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*.
(xx)	Reset Business Centre:	[]
(xxi)	Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent])	[]
(xxii)	Step Up Provisions:	[Applicable/Not Applicable]
	— Step Up Margin:	[] %

PROVISIONS RELATING TO REDEMPTION

19.	[Call Option and/or Regulatory Call]:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*The clearing systems require a minimum of 5 business days' notice if such an option is to be exercised*)
(i)	Optional Early Redemption Amount (Call) of each Note:		[] per Note of [] specified denomination
(ii)	If redeemable in part:		
	(a)	Minimum Redemption Amount:	[]
	(b)	Maximum Redemption Amount:	[]
(iii)	Notice period:[10]		[]
(iv)	Early Redemption Date(s):		[]
20.	Put Option:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*Euroclear require a minimum of 5 business days' notice and Clearstream, Luxembourg require a minimum of 15 business days' notice if such an option is to be exercised*)

[10] *When setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issue and Paying Agent.*

	(i) Optional Early Redemption Date(s):	[]
	(ii) Optional Early Redemption Amount (Put) of each Note:	[] per Note of [] specified denomination
	(iii) Notice period:[11]	[]
21.	Maturity Redemption Amount of each Note:	[] per Note of [] specified denomination
22.	Early Redemption Amount (Tax), Early Redemption Amount (Capital Disqualification Event) and Early Redemption Amount (TLAC/MREL Disqualification Event)	
	TLAC/MREL Disqualification Event:	[Applicable/Not Applicable]
	Early Redemption Amount(s) of each Note payable on redemption for (1) taxation reasons, [(2) on a Capital Disqualification Event][, (3) on a TLAC/MREL Disqualification Event] or (4) on event of default:	[]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] calendar days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [] calendar days' notice] [Permanent Global Note exchangeable for Definitive Notes on [] calendar days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
	[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian law of 14th December, 2005]	
24.	New Global Note:	[Yes] [No]
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]
26.	Business Day:	[*Specify any additional financial centres necessary for the purposes of Condition [8B.02]*.]
27.	Relevant Financial Centre:	[*Specify any modification required.*]

[11] *Euroclear and Clearstream, Luxembourg must be given 5 business days' notice of exercise of Issuer call option.*

28.	Relevant Financial Centre Day:		[*Specify any additional financial centres necessary for the purposes of Condition [8B.02] or [8A.04]*.]
29.	Details relating to Instalment Notes:		[Applicable/Not applicable]
	(i)	Instalment Amount(s):	[]
	(ii)	Payment Date(s):	[]
	(iii)	Number of Instalments:	[]
30.	Commissioner:		[]
31.	Waiver of Set-off:		[Applicable/Not Applicable]
32.	Substitution and Variation:		[Applicable/Not Applicable]
33.	Governing law		[English law/Spanish law]

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of **SANTANDER CONSUMER FINANCE, S.A.**

By: .....
Authorised Signatory

Date

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on [the Official List of Euronext Dublin]/[*any other regulated market*]/[*any unregulated market*]/[*any other listing authority*] [*any other stock exchange*] [*any other quotation system*].]
(ii)	Admission to Trading:	[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market of Euronext Dublin]/[*any other regulated market*]/[*any other unregulated market*]/[*any other listing authority*]/[*any other stock exchange*]/[*any other quotation system*] with effect from [the Issue Date/[]].] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(iii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P:	[]]
[Moody's:	[]]
[Fitch:	[]]
[[Other]:	[]]

[These credit ratings have been issued by [S&P Global Ratings Europe Limited], [Moody's Investor Services España, S.A.] [and Fitch Ratings Ireland Limited] [*other*].

Each of [S&P Global Ratings Europe Limited], [Moody's Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of [S&P Global Ratings Europe Limited], [Moody's Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

[A list of rating agencies registered under the CRA Regulation can be found at http://www.esma.europa.eu/page/List-registerd-and-certified-CRAs.]

[[*Insert the legal name of the relevant credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

[*Insert the legal name of relevant credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Market Authority on its website in accordance with such Regulation.][12]

(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*)

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

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

(Need to include a description of any interest, including a conflict of interests, 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 statement below.)

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

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

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i)	Reasons for the offer	[General financing requirements of the Consumer Group / Other – *if reasons for the offer are different from general financial requirements and there is a particular identified use of proceeds, this will need to be stated here*]
[(ii)]	Estimated net proceeds:	[] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)]
[(iii)]	Estimated total expenses[13]:	[] [Include breakdown of expenses.]

5. [[Fixed Rate Notes only - YIELD

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

[12] For Notes that receive ratings only.

[13] *For securities of at least EUR 100,000 only the estimated total expenses related to admission to trading should be included.*

6. [Floating Rate Notes only — HISTORIC INTEREST RATES

(i) Historic interest rates:	Details of historic [EURIBOR/SONIA/SOFR] can be obtained from [Reuters].
(ii) [Benchmarks:	Amounts payable under the Notes will be calculated by reference to [] which is provided by []. As at [], [] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**EU Benchmarks Regulation**").] [As at the date of these Final Terms, [*insert legal name(s) of the benchmark administrator(s)*] [*is/are*] [*not*] included in the register of administrators established and maintained by the Financial Conduct Authority pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**").] [As far as the Issuer is aware, [*specify benchmark(s) (as this term is defined in the* *UK Benchmarks Regulation*)] [does/do] not fall within the scope of the UK Benchmarks Regulation/the transitional provisions in Article 51 of the UK Benchmarks Regulation apply] such that [*insert legal name(s) of the benchmark administrator(s)*] [is/are] not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).]]

7. OPERATIONAL INFORMATION

ISIN:	[]
Common Code:	[]
CUSIP number:	[]
WKN:	[] [Not applicable]
Delivery	Delivery [against/free of] payment
Any Clearing System other than Euroclear and Clearstream Banking S.A. and the relevant identification numbers:	[] [*Not applicable*]
Names and addresses of additional Paying Agent(s) (if any):	[]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation yes simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition

will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "**no**" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

8. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	[Not Applicable/*give names, addresses and underwriting commitments*]
	(a) Names and addresses of Dealers and underwriting commitments:	[] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)*
	(b) Date of subscription agreement:	[]
	(c) Stabilising Manager(s) (if any):	[Not Applicable/[]]
(iii)	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
(iv)	Indication of the overall amount of the underwriting commission and of the placing commission:	[] % of the Aggregate Nominal Amount
(v)	US Selling Restrictions:	Reg. S Compliance Category [1/2]; [TEFRA C/TEFRA D / TEFRA not applicable]
(vi)	Public Offer:	[Applicable][Not Applicable] (*If not applicable, delete the remaining placeholders of this sub-paragraph (vi) and also paragraph [9] below*)
(vii)	Public Offer Jurisdictions:	[*Specify relevant State(s) where the Issuer intends to make the Public Offer (where the Base Prospectus lists the Public Offer Jurisdictions, select from that list) which must therefore be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*]

(viii)	Offer period:	[*Specify date*] until [*specify date*]
(ix)	Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the conditions in it:	[*Insert names and addresses of financial intermediaries receiving consent (specific consent)*]
(x)	General Consent:	[Not Applicable][Applicable]
(xi)	Other Authorised Offeror Terms:	[Not Applicable][*Add here any other Authorised Offeror Terms*]. (*Authorised Offeror Terms should only be included here where General Consent is Applicable*)
(xii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the offer of the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
(xiii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the offer of the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

9. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price][]
Conditions to which the offer is subject:	[Not applicable] []
Description of the application process:	[Not applicable] []
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable] []
Details of the minimum and/or maximum amount of application:	[Not applicable] []
Details of the method and time limits for paying up and delivering the Notes:	[Not applicable] []
Manner in and date on which results of the offer are to be made public:	[Not applicable] []
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable] []
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] []
Process for notification to applicants of the amount allotted and the indication	[Not applicable] []

whether dealing may begin before notification is made:	
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not applicable] []
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not applicable] []

SUMMARY OF THE ISSUE

*This summary relates to [insert description of Notes] described in the final terms (the "**Final Terms**") to which this summary is annexed. This summary contains the information which is relevant to the Notes together with the relevant information from the Final Terms. Words and expressions defined in the Final Terms and the Base Prospectus have the same meanings in this summary.*

[*Insert issue-specific summary*].

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

[*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR [100,000] (or its equivalent in another currency).*]

[**MIFID II product governance / Retail investors, professional investors and ECPs 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, professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended ("**MiFID II**"); and **EITHER** [(ii) all channels for distribution of the Notes are appropriate] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate [[] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[**EU PRIIPs Regulation / 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; (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.] [14]

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

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

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

(8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][15]

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes to be [capital markets products other than] prescribed capital markets products (as defined in the CMP Regulations 2018) and [Excluded]/ [Specified] Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][16]

[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 European Securities and Markets Authority pursuant to Article 36 of the Benchmark 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).*]

Final Terms dated []

Santander Consumer Finance, S.A.
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]

under the EUR 25,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 17 June 2021 [and the supplement(s) to it dated [*insert date*] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU of 14 June 2017, as amended (the Prospectus Regulation). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].]

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

[16] Legend to be included on front of the Final Terms if the Notess do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [19 June 2020]/[18 June 2019]/[18 June 2018]/[15 June 2017]/[16 June 2016]/[12 June 2015]/[24 June 2014]/[26 June 2013]]] [and the supplement(s) to it dated [*insert date*] which are incorporated by reference in the base prospectus dated 17 June 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU of 14 June 2017, as amended (the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated 17 June 2021 [and the supplement(s) to it dated [*insert date*], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the Base Prospectus dated [19 June 2020]/[18 June 2019]/[18 June 2018]/[15 June 2017]/[16 June 2016]/[12 June 2015]/[24 June 2014]/[26 June 2013]]] [and the supplement(s) to it dated [*insert date*] in order to obtain all the relevant information. The Base Prospectus is available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].]

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU of 14 June 2017.

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

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

1.	Issuer:		Santander Consumer Finance, S.A.
2.	(i)	Series Number:	[]
	[(ii)]	Tranche Number:	[]
	[(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [23] below [which is expected to occur on or about [*insert date*]].]
3.	Specified Currency or Currencies:		[]
4.	Aggregate Principal Amount:		[]
	[(i)]	Series:	[]
	[(ii)	Tranche:	[]
5.	Issue Price:		[] % of the Aggregate Principal Amount [plus accrued interest from [*insert date*] (if applicable)]
6.	Specified Denominations:		[]
7.	Calculation Amount:		[*the Specified Denomination*]
8.	(i)	Issue Date:	[]

	(ii)	Trade Date	[]
	(iii)	Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
9.	Maturity Date:		[*Specify date or (for Floating Rate Notes or Renminbi denominated Notes if applicable) Interest Payment Date falling in the relevant month and year*]
10.	Interest Basis:		[[] % Fixed Rate] [EURIBOR/SONIA/SOFR]+/– [] % Floating Rate] [Reset Notes] [Floating Rate: [difference between] [EURIBOR] [and] [SONIA] [SOFR] [and] [*insert Floating Rate Option*] [+/-] [multiplied by] [] %] [Zero Coupon] [CMS-Linked: [*constant maturity swap rate appearing on the Relevant Screen Page*] +/- [] %] (further particulars specified below at paragraph [15/16/17/18])
11.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount.]
12.	Change of Interest Basis or Redemption/Payment Basis		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*] [Not applicable]
13.	Put/Call Options:		[Investor Put][17] [Issuer Call][18] (further particulars specified below at paragraph [19/20])
14.	[(i)]	Status of the Notes:	[Ordinary Senior Notes/Senior Non Preferred Notes/Subordinated Notes-Senior Subordinated Notes/Subordinated Notes-Tier 2 Subordinated Notes] [The Subordinated Notes-Tier 2 Subordinated Notes are intended to constitute Tier 2 Notes of the Issuer]
	[(iii)]	[Date [Board] approval for issuance of Notes] obtained:	(*N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

[17] *Not applicable in the case of Subordinated Notes. When applicable Euroclear must be given a minimum of 5 business days´ notice and Clearstream, Luxembourg must be given a minimum of 15 business days´ notice of exercise of Investor put option*

[18] *Euroclear and Clearstream, Luxembourg must be given 5 business days' notice of exercise of Issuer call option.*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions		[Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[] % per annum [payable [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[] in each year [adjusted in accordance with [specify Business Day Convention/not adjusted]]
	(iii)	Fixed Coupon Amount[(s)]:	[[] per [] Principal Amount]/[The Fixed Coupon Amount shall be calculated by applying the Rate of Interest to the [Specified Denomination/Calculation Amount] for each Note, multiplying the product by the Day Count Fraction, rounding the resulting figure to the nearest unit of CNY (with halves being rounded up)].
	(iv)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
	(v)	Determination Dates:	[] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon). (*N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]*)
	(vi)	Broken Amount(s):	[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
16.	Floating Rate and CMS-Linked Note Provisions		[Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] (*If applicable, Condition 4B of the Terms and Conditions of the Notes will apply*) (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]]

(ii)	Interest Payment Date(s):		[] in each year [adjusted in accordance with [*Business Day Convention*]
(iii)	First Interest Payment Date:		[]
(iv)	Business Day Convention		[]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:		[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Issue and Paying Agent]):		[]
(vii)	Margin Plus Rate:		[Applicable] [Not Applicable]
(viii)	Specified Percentage Multiplied by Rate:		[Applicable] [Not Applicable]
(ix)	Difference in Rates:		[Applicable] [Not Applicable]
	(a)	Rate 1:	[Screen Rate Determination] [ISDA Determination]
	(b)	Rate 2	[Screen Rate Determination] [ISDA Determination]
(x)	Screen Rate Determination		
	(a)	Reference Rate:	[EURIBOR][SONIA] [SOFR][constant maturity swap rate]
	(b)	Interest Determination Date(s):	[ ] [[ ] London Banking Days prior to each Interest Payment Date] (*Include where the Reference Rate is SONIA*) [[ ] U.S. Government Securities Business Days prior to each Interest Payment Date] (*Include where the Reference Rate is SOFR*)
	(c)	Relevant Screen Page:	[] [*Other examples: Reuters EURIBOR 01*]
	(d)	[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]]]
	(e)	Observation Method:	[*Include where the Calculation Method is SONIA Compounded Daily:* [Lag]/[Lock-out]/[Shift]]

(f)	"p":	[[specify] [London Banking Days]/[U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]] (*Include where the Reference Rate is SONIA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback))*
(g)	[Observation Shift Days:	[[specify] U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]] (*Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift*)
(h)	Interest Payment Delay:	[Not Applicable / [ ] U.S. Government Securities Business Day(s)]] (*Include where the Reference Rate is SOFR)*
(i)	Interest Period End Dates:	[specify] [The Interest Payment Date for such Interest Period] [Not Applicable] (*Include where the Reference Rate is SONIA and the Observation Method is "Shift" or SOFR and the Calculation Method is Compound with Payment Delay*)
(j)	[SOFR Cut-Off Date:	[As per Conditions]/[[specify] U.S. Government Securities Business Days]/[Not applicable]] (*Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean*)
(k)	[SOFR Replacement Alternatives Priority:	[As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition 4B.05(D).]]
(l)	Relevant Time:	[]
(m)	ISDA Determination:	
(n)	Floating Rate Option:	[]
(o)	Designated Maturity:	[]
(p)	Reset Date:	[]
(q)	ISDA Benchmarks Supplement	[Applicable/Not Applicable]]
(r)	[Linear Interpolation:	Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(s)	Margin(s):	[+/-] [] % per annum
(t)	Minimum Rate of Interest:	[] % per annum

	(u)	Maximum Rate of Interest:	[] % per annum
	(v)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
	(w)	Specified Percentage:	[] %
	(x)	Constant maturity swap rate:	[]
	(y)	Step Up Provisions:	[Applicable/Not Applicable]
	(z)	Step Up Margin:	[] %
17.	Zero Coupon Note Provisions		[Applicable/Not Applicable] *(If applicable, Condition 4C of the Terms and Conditions of the Notes will apply)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Amortisation Yield:	[] % per annum
	(ii)	Day Count Fraction relating to Early Redemption Amounts:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
18.	Reset Note Provisions		[Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] (*If applicable, Condition 4D of the Terms and Conditions of the Notes will apply*) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Initial Rate of Interest:	[] % per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
	(ii)	First Margin:	[+/-][] % per annum
	(iii)	Subsequent Margin:	[[+/-][] % per annum] [Not Applicable]
	(iv)	Interest Payment Date(s):	[] in each year [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
	(v)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[] per [] specified denomination [for the [ ] Interest Period] [*repeat information if necessary*]
	(vi)	First Reset Date:	[] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].

(vii)	Second Reset Date:	[]/[Not Applicable] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
(viii)	Subsequent Reset Date(s):	[] [and []] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
(ix)	Reset Reference Rate:	[Mid-Swap Rate/Sterling Reference Bond Rate/Non- Sterling Reference Bond Rate/U.S. Treasury Rate]
(x)	Initial Reference Rate:	[[•]/Not Applicable]
(xi)	Reset Determination Time:	[•]
(xii)	Relevant Screen Page:	[]
(xiii)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
(xiv)	Mid-Swap Maturity:	[]
(xv)	Fixed Leg Swap Duration:	[]
(xvi)	Minimum Rate of Interest:	[] % per annum
(xvii)	Maximum Rate of Interest:	[] % per annum
(xviii)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
(xix)	Determination Dates:	[] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*.
(xx)	Reset Business Centre:	[]
(xxi)	Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent])	[]
(xxii)	Step Up Provisions:	[Applicable/Not Applicable]
	— Step Up Margin:	[] %

PROVISIONS RELATING TO REDEMPTION

19.	[Call Option and/or Regulatory Call]:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*The clearing systems require a minimum of 5 business days' notice if such an option is to be exercised*)
(i)	Optional Early Redemption Amount (Call) of each Note:	[] per Note of [] specified denomination
(ii)	If redeemable in part:	

		(a) Minimum Redemption Amount:	[]
		(b) Maximum Redemption Amount:	[]
	(iii)	Notice period:[19]	[]
	(iv)	Early Redemption Date(s):	[]
20.	Put Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*Euroclear require a minimum of 5 business days' notice and Clearstream, Luxembourg require a minimum of 15 business days' notice if such an option is to be exercised*)
	(i)	Optional Early Redemption Date(s):	[]
	(ii)	Optional Early Redemption Amount (Put) of each Note:	[] per Note of [] specified denomination
	(iii)	Notice period:[20]	[]
21.	Maturity Redemption Amount of each Note:		[] per Note of [] specified denomination
22.	Early Redemption Amount (Tax), Early Redemption Amount (Capital Disqualification Event) and Early Redemption Amount (TLAC/MREL Disqualification Event):		
	TLAC/MREL Disqualification Event:		[Applicable/Not Applicable]
	Early Redemption Amount(s) of each Note payable on redemption for (1) taxation reasons, [(2) on a Capital Disqualification Event][(3) on a TLAC/MREL Disqualification Event] or (4) on event of default:		[]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] calendar days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

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[19] *If setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issue and Paying Agent.*

[20] *Euroclear and Clearstream, Luxembourg must be given 5 business days' notice of exercise of Issuer call option.*

		[Temporary Global Note exchangeable for Definitive Notes on [] calendar days' notice] [Permanent Global Note exchangeable for Definitive Notes on [] calendar days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian law of 14th December, 2005]

24.	New Global Note:	[Yes] [No]
25.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]
26.	Business Day:	[*Specify any additional financial centres necessary for the purposes of Condition [8B.02]*.]
27.	Relevant Financial Centre:	[*Specify any modification required*.]
28.	Relevant Financial Centre Day:	[*Specify any additional financial centres necessary for the purposes of Condition [8B.02] or [8A.04]*.]
29.	Details relating to Instalment Notes:	[Applicable/Not applicable]
	(i) Instalment Amount(s):	[]
	(ii) Payment Date(s):	[]
	(iii) Number of Instalments:	[]
30.	Commissioner:	[]
31.	Waiver of Set-off:	[Applicable/Not Applicable]
32.	Substitution and Variation:	[Applicable/Not Applicable]
33.	Governing law	[English law/Spanish law]

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of **SANTANDER CONSUMER FINANCE, S.A.**

By: .....
Authorised Signatory

Date

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on [the Official List of Euronext Dublin]/[*any other regulated market*]/[*any unregulated market*]/[*any other listing authority*] [*any other stock exchange*] [*any other quotation system*].]
(ii)	Admission to Trading:	[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market of Euronext Dublin]/[*any other regulated market*]/[*any other unregulated market*]/[*any other listing authority*]/[*any other stock exchange*]/[*any other quotation system*] with effect from [the Issue Date/[]]. (*When documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(iii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

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

Ratings: [S&P: []]

[Moody's: []]

[Fitch: []]

[[Other]: []]

[These credit ratings have been issued by [S&P Global Ratings Europe Limited], [Moody's Investor Services España, S.A.] [and Fitch Ratings Ireland Limited] [*other*].

Each of [S&P Global Ratings Europe Limited], [Moody's Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of [S&P Global Ratings Europe Limited], [Moody's Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

[A list of rating agencies registered under the CRA Regulation can be found at http://www.esma.europa.eu/page/List-registerd-and-certified-CRAs.]

[[*Insert the legal name of the relevant credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

[*Insert the legal name of relevant credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Market Authority on its website in accordance with such Regulation.][21]

(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*)

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

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/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 statement below:*)

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

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

4. Reasons for the offer and estimated net proceeds

[Reasons for the offer:	[General financing requirements of the Consumer Group / Other – *if reasons for the offer are different from general financial requirements and there is a particular identified use of proceeds, this will need to be stated here*]
Estimated net proceeds:	[]

5. [Fixed Rate Notes only – YIELD

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

6. [Floating Rate Notes only — HISTORIC INTEREST RATES

(i) Historic interest rates:	Details of historic [EURIBOR/SONIA/SOFR] can be obtained from [Reuters].
(ii) [Benchmarks:	Amounts payable under the Notes will be calculated by reference to [] which is provided by []. As at [], [] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to

[21] [For Notess that receive ratings only.]

	Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**EU Benchmarks Regulation**").
	[As at the date of these Final Terms, [*insert legal name(s) of the benchmark administrator(s)*] [*is/are*] [*not*] included in the register of administrators established and maintained by the Financial Conduct Authority pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**").]
	[As far as the Issuer is aware, [*specify benchmark(s) (as this term is defined in the*
	UK Benchmarks Regulation)] [does/do] not fall within the scope of the UK Benchmarks Regulation/the transitional provisions in Article 51 of the UK Benchmarks Regulation apply] such that [*insert legal name(s) of the benchmark administrator(s)*] [is/are] not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).]]

7. OPERATIONAL INFORMATION

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

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

8. DISTRIBUTION

(i)	Method of Distribution:		[Syndicated/Non-syndicated]
(ii)	If syndicated:		
	(A)	Names of Dealers	[Not Applicable/*give names*]
	(B)	Stabilisation Manager(s), if any:	[Not Applicable/*give names*]
(iii)	If non-syndicated, name of Dealer:		[Not Applicable/*give names*]
(iv)	U.S. Selling Restrictions:		Reg S Compliance Category 2; [TEFRA C/TEFRA D/TEFRA not applicable]
(v)	Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable] (*If the offer of the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
(vi)	Prohibition of Sales to UK Retail Investors:		[Applicable/Not Applicable] (*If the offer of the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Issue and Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Issue and Paying Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Issue and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

(c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued

interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 17 June 2021 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issue and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or

(b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a

schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 5.09 (*Optional Early Redemption (Put)*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Issue and Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 5.06 (*Optional Early Redemption (Call)*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 13 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 13 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

DESCRIPTION OF THE ISSUER

SANTANDER CONSUMER FINANCE, S.A.

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 Bérgamo Llabrés but with Mr. Bérgamo Llabrés' notarial number 2.842, on 31 August 1963. In 1995, the Issuer changed its name to "Hispamer 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, S.A. prepares an annual corporate governance report which it publishes and presents to the CNMV. Banco Santander, S.A. 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 2020 was EUR 5,638,638,516 divided into 1,879,546,172 ordinary shares having a face value of EUR 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.es. The information on this website does not form part of this Base Prospectus unless that information is explicitly incorporated by reference into this Base Prospectus.

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, S.A.) had a 100% direct and indirect ownership interest in the share capital of the Issuer as at 31 December 2020. Banco Santander, S.A. 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 256 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,

Norway, Finland, Denmark, Sweden, Switzerland and Portugal. 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 in spite of COVID-19 crisis, reporting an attributable profit of EUR 504.1 million in 2020.

Loans and advances amounted to EUR 98,323.0 million in 2020, down 0.2% for the year.

On the liability side, customer deposits rose 0.6% while a total of EUR 37,500.9 million in wholesale funding was secured in the year, through senior issuances, securitisations and other long-term issues.

In 2020 attributable profit amounted to EUR 504.1 million (-56% with respect to 2019). In addition to the impact of COVID-19, that 2020 contains an extraordinary amortization of the Goodwill of the CGU of Nordics (Scandinavia) in the amount of EUR 277 million and tax losses mainly in Santander Consumer S.A with an impact of EUR 47.2 million.

Gross income remained in line with the previous year despite the pandemic, with an increase in net interest income (+1.5%) and other operating income, which mitigated the fall in fees and commissions (9.7%) caused by the lower volume of new production during the pandemic.

Costs barely grew by 0.6%, absorbing practically all of the new acquisitions of Sixt Leasing and Ford Finance in the Nordics, as well as the start-up of TimFin in Italy (joint venture with TIM Italia) in 2020. Cost to income stood at 42.4%.

Provisions increased compared to 2019 due to the adjustment of expected loss models, which incorporate information reflecting the prospective macroeconomic environment and lower sales of doubtful portfolios and write-offs. The cost of credit stood at 0.85% compared to 0.39% in the previous year. The NPL ratio increased 7 basis points to 2,07%. Coverage stood at 107,8%.

In short, the Consumer Group continued to prove that it can maintain high profitability and streamlined efficiency. The Consumer Group is working to achieve the expected results in all territories where the Consumer Group operates despite the uncertain environment due to COVID-19. The Consumer Group is taking actions in order to proactively help customers by improving payment affordability; and it is also promoting credit protection insurances covering the impact of COVID-19. For customers having difficulties paying their loans, the Consumer Group offers a "payment holiday" of several months.

New Business of the Issuer in 2020

The volume of new loans at December 2020 was EUR 36,526 million, down by -12% compared with the previous year. Mainly lower volumes due to Cars business and Consumer Financing and Credit Cards business which decreased by EUR -2,188 million and EUR -1,773 million respectively.

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

The units with higher productions in 2020 were Germany (32.2%), Nordics (18.8%), Spain (12.2%), France (10.7%) and Italy (6.4%).

The following table summarises new financing extended in 2020 by product line, compared with the previous year:

Unaudited	**2020 financial year**	**Percentage of total activity**	**2019 financial year**	**Variation 2020/2019**
New Business	*(millions of Euro)*	*(percentage)*	*(millions of Euro)*	*(percentage)*
Cars	26,231	72.1%	28,509	-7.7%
New cars	15,999	43.8%	17,753	-9.9%
Used Cars	10,322	28.3%	10,756	-4.0%
Consumer Financing and Credit Cards	4,693	12.8%	6,466	-27.4%
Direct	3,893	10.6%	4,607	-16.1%
Mortgages	248	0.7%	226	9.7%
Other	1,401	0.8%	1,512	-7.3%
Total financing activity	36,526	100%	41,321	-11.6%

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 2020, the consolidated customer funds under management (customer deposits and marketable debt securities) reached EUR 74,067 million, representing a decrease of 2% compared to the EUR 75,559 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 0,6% (from EUR 37,282 million in 2019 to EUR 37,501 million in 2020).

On the other hand, consolidated marketable debt securities decreased by 4.5%, mainly due to the ECB´s facilities, which have led the Issuer to cancel or retain part of the planned emissions in 2020 and increase the participation in targeted longer-term refinancing operations ("**TLTRO**"). At the meeting held on 11 June 2020, the Bank's Executive Committee adopted a resolution to update its Euro Medium Term Notes programme and issue notes for a maximum nominal amount of EUR 25,000 million (EUR 25,000,000,000). This programme was listed on the Ireland Stock Exchange on 19 June 2020.

As of 31 December 2020, the outstanding balance of these notes amounts to EUR 12,859 million (EUR 13,933 million in 2019), and their maturity date is between 3 July 2021 and 25 February 2030. The annual interest rate on these securities stands at 0% and 1.278% in 2020 (0% and 1.5% in 2019).

The following table summarises customer funds under management in 2020, as compared to the previous financial year (the data does not include valuation adjustments or subordinated debt):

Customer Funds under management	2020 Financial year (audited)	2019 Financial year (audited)	Variation 2020/2019
	(millions of euro)	(millions of euro)	
Customer deposits	37,501	37,282	0.6%
Marketable debt securities	36,566	38,277	-4.5%
Total client funds on balance sheet	74,067	75,559	-2.0%

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 2020, in comparison with the previous year (the data does not include valuation adjustments or subordinated debt):

Loans and advances to customers

	2020 Financial year (audited)	Percentage of total activity	2019 Financial year (audited)	Variation 2020/2019 (percentage)
	(millions of euro)		(millions of euro)	
Spain	13,923	14.3%	15,241	-8.6 %
Italy	8,954	9.2%	9,186	-2.5 %
Germany	35,803	36.7%	35,504	0.8 %
France	14,431	14.8%	13,968	3.3 %
The Nordics	16,833	17.3%	16,362	2.9 %
Other Areas & Intragroup adjustments	7,496	7.7%	8,037	-6.7 %
Total	**97,440**	**100%**	**98,299**	**-0.9 %**

Customer Deposits

	2020 Financial year (audited)	Percentage of total activity	2019 Financial year (audited)	Variation 2020/2019 (percentage)
	(millions of euro)		(millions of euro)	
Spain	528	1.4%	445	18.6%

Italy	1,292	3.4%	1,256	2.8%
Germany	22,186	59.2%	23,630	-6.1%
France	3,259	8.7%	2,839	14.8%
The Nordics	7,749	20.7%	6,639	16.7%
Other Areas & Intra Group Eliminations	2,486	6.6%	2,472	0.6%
Total	37,501	100%	37,282	0.6%

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.

Cost-to-income (efficiency ratio)

The efficiency ratio 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 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.

	2020 Financial year	**2019 Financial year**
Efficiency ratio	42.44 %	42.20 %
	Thousands of euro	Thousands of euro
Underlying operating expenses	1,811,358	1,801,187
Underlying total income (Gross Margin)	4,267,628	4,268,062

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.

	2020 Financial year	**2019 Financial year**
Non-performing loans ratio	2.07 %	2.00 %
	Thousands of euro	Thousands of euro
Non-performing loans and advances to customers – stage 3 and risk contingencies, commitments and guarantees granted	2,069,457	2,013,184
Total loans and advances to customers and guarantees granted	99,934,703	100,499,728

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 contingents.

	2020 Financial year	**2019 Financial year**
Coverage	107.80 %	98.22 %
	Thousands of euro	Thousands of euro
Provisions to cover impairment losses on loans and advances to customers and contingent liabilities and commitments.	2,230,796	1,977,317
Non-performing loans and advances to customers – stage 3 and risk contingencies, commitments and guarantees granted	2,069,457	2,013,184

The cost of risk 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.

	2020 Financial year	**2019 Financial year**
Cost of risk/credit	0.85%	0.39%
	Millions of euro	Millions of euro
Impairment (*)	825,083	380,934
Financial assets at amortised cost - Loans and advances - Customers	97,440,260	98,298,612

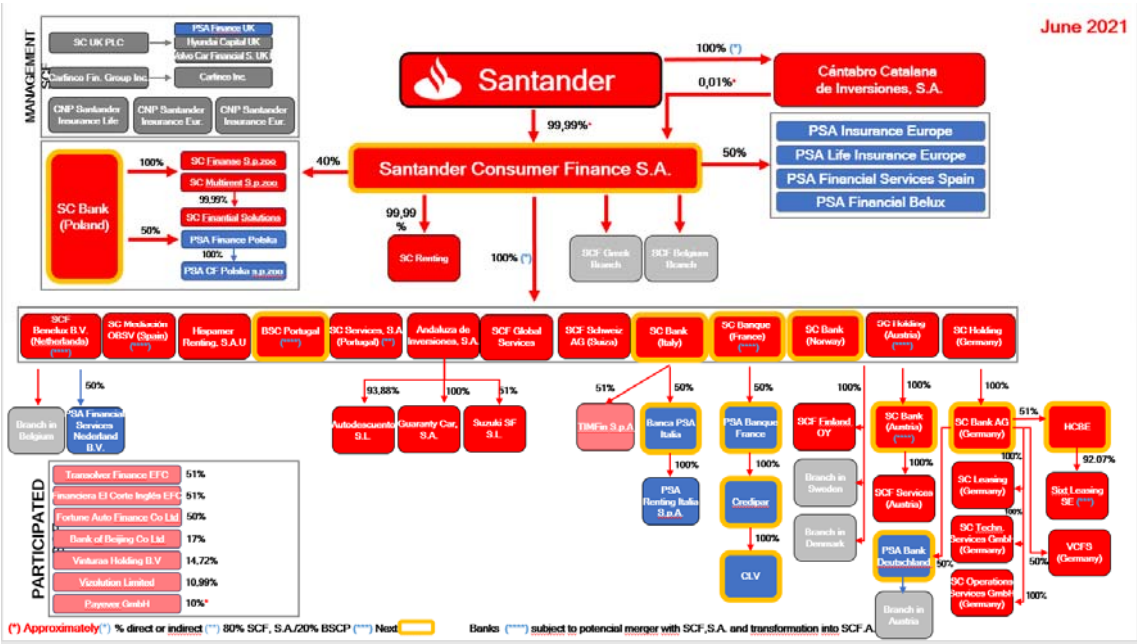
(*) Impairment or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes.

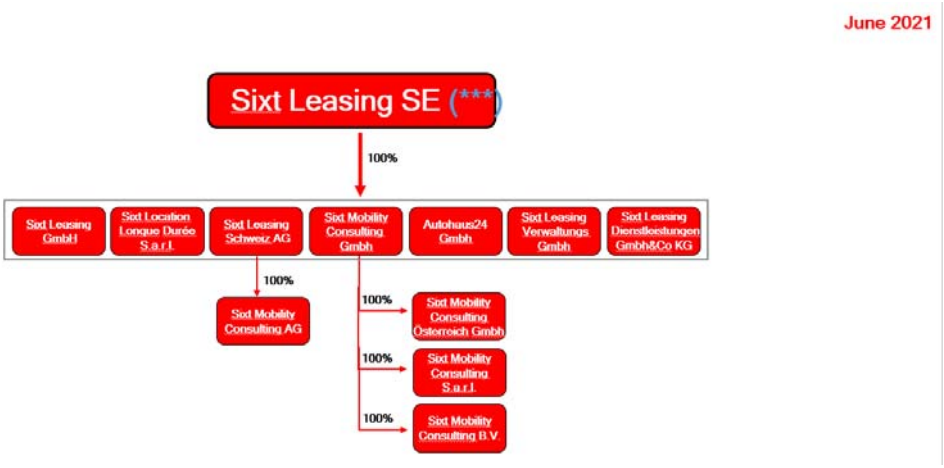
Organisational Structure

The Issuer is the parent company of a group of companies providing consumer finance services within the Banco Santander Group.

The 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 June 2021:





Recent Developments

2021

In 2021, one of the Issuer's areas of attention is the simplification of its legal and IT structure. The aim is to simplify and create efficiencies, and that's why the Issuer executed in December 2020 its merger with Santander Consumer EFC S.A. in Spain. In addition, the Issuer has established a branch in Belgium which absorbed its 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 Santander Consumer Finance, S.A. and Santander Consumer Bank, S.A.

On 24 and 25 September 2020, the Boards of Directors of Santander Consumer Bank, S.A. and Santander Consumer Finance S.A., respectively, approved the respective merger project of both entities, having sent on the same dates the request for authorization to the corresponding regulatory entities.

The merger was registered in March 2021, and in accordance with the applicable accounting regulations, for accounting purposes, January 1, 2021 was the date from which the operations of the absorbed company were considered as having been carried out by the absorbing company.

2020

Grupo Sixt Leasing SE

On July 15 and 16, 2020, Hyundai Capital Bank Europe, GmbH (51% owned by Santander Consumer Bank AG) acquired 92.07% of the Sixt Leasing SE Group, represented by 18,976,123 shares with a par value of 1 euro. The total investment amounted to EUR 341.8 million. The acquisition process has taken place:

- Acquisition of 8,644,638 shares representing 41.94 % of Sixt Leasing SE from Sixt SE for EUR 155.6 million.

- Acquisition of 10,331,485 shares representing 50.13% of Sixt Leasing SE through a tender offer for a total amount of EUR 186.2 million.

Greece Branch

During the year 2020, once the pertinent authorizations were obtained, a branch in Greece was established in order to carry out financing activities for purchases of any type of consumer goods carried out by third parties, financial leasing, renting, and others.

TIM-SCB JV S.p.A.

On February 17, 2020, the Consumer Group, through its Italian subsidiary, Santander Consumer Bank, S.p.A. signed an agreement for the creation of a joint venture with the Italian mobile, telecommunications

and internet company, TIM, S.p.A, with 51% and 49% holding percentages, respectively. The main purpose of this joint venture is the financing of telecommunication devices as well as the sale of other financial products. The company was established on February 19, 2020 subject to the approval of the European and local authorities, which was received on November 4, 2020..

COVID-19

Since December 2019, a new strain of coronavirus, or COVID-19, spread in the People's Republic of China and progressively to the rest of the world, mainly to Europe (including Spain and the UK), Latin America and the United States, among others. The outbreak was declared a public health emergency of international concern and a global pandemic by the World Health Organization.

The Banco Santander Group analysed the progress of the pandemic in all its markets on a daily basis, and booked provisions in accordance with the local needs of each country. Banco Santander, S.A. announced a series of measures to protect and support its employees and customers, including emergency liquidity lines for SMEs in difficulties; payment moratoria in some markets; branch closures to protect employees while ensuring the continuity of the service throughout the commercial network; protection of our teams, first by suspending travel and then by making teleworking easier; and, in the case of our shareholders, holding a totally remote annual general shareholders meeting.

In 2020, the Consumer Group operated in an extraordinarily complex environment characterized by the pandemic and the measures to alleviate its economic impact. The crisis has been global, severe and abrupt, and has generated enormous uncertainty given the impossibility of predicting its scope and duration. Most of the economies in which the bank operates responded with tough policies and notable coordination between their fiscal, financial and monetary counterparts to limit permanent damage from lockdown measures. Nonetheless, hopes raised by better treatments, more targeted outbreak responses and the effective vaccines announced in the final months of the year contained the situation towards the end of the year and led to better expectations that were reflected in financial markets.

Ratings review of the Issuer's rating

On 10 June 2021, Fitch confirmed the rating of long-term debt and deposits at A-/F2, and reviewed the outlook from negative to stable.

On 26 May 2021, S&P confirmed the rating of long-term debt and deposits at A-/A-2, maintaining the outlook as negative.

On 19 October 2020, Moodys confirmed the rating of long-term debt and deposits at A2/P1, maintaining the outlook as stable. On 18 March 2021 Moodys completed a portfolio review including SCF, and reassessed the appropriateness of the ratings.

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

Moodys:	
Issuer Long Term credit rating:	A2
Issuer Short Term credit rating:	P1
Outlook:	Stable
Senior Unsecured Debt:	A2
Subordinated Debt:	Baa2

S&P:	
Issuer Long Term credit rating:	A-
Issuer Short Term credit rating:	A-2
Outlook:	Negative
Resolution Counterparty Rating	A/--/A-1
Senior Unsecured Debt (maturity in one year or more):	A-
Senior Unsecured Debt (maturity in less than one year):	A-2
Senior Subordinated Debt:	BBB+
Subordinated Debt:	BBB
Fitch:	
Issuer Long Term credit rating:	A-
Issuer Short Term credit rating:	F2
Outlook:	Stable
Long-term senior preferred Debt:	A
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 APR 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.

2019

In addition, the most significant acquisitions and disposals of equity investments in Banco Santander Group entities in 2019 and other relevant corporate transactions which modified the Consumer Group's scope of consolidation in this year were as follows:

On 23 December 2019, Andaluza de Inversiones, S.A. acquired a 93.89% stake in the company Autodescuento S.L., for a total amount of EUR 18,449,326.50. There is an agreement between the partners whereby in the next few years up to 100% of the company will be acquired by Andaluza de Inversiones, S.A. Taking into account the certainty of the execution of this agreement, it has been considered to integrate 100% of Autodescuento, S.L. into the consolidated Consumer Group.

On 22 August 2018, the Banco Santander Group, through its German subsidiary Santander Consumer Bank AG, entered into an agreement to acquire 51% of the shares representing the capital stock of Hyundai Capital Bank Europe, GmbH, owned by Hyundai Capital Services, Inc., Hyundai Motor Company and Kia Motors Corporation. On 15 February 2019, the parties executed an amendment to the purchase agreement dated 22 August 2018, whereby, in order to ensure the expansion of the business during 2019 and at the same time comply with regulatory requirements, they agreed to increase the company's reserves by EUR 90 million. Hyundai Capital Services Inc., as the company's final shareholder, following the acquisition by Santander Consumer Bank AG of 51% of the stake (leaving Hyundai Motor Company and Kia Motors Corporation as shareholders), on 31 January 2019 increased the company's reserves by EUR 44.1 million, with the commitment by Santander Consumer Bank AG to contribute EUR 45.9 million, once it is a shareholder. It was also agreed that the contribution of EUR 44.1 million made by Hyundai Capital Services Inc. would not form part of the calculation of the price to be paid at the time of the acquisition. On 28 March 2019, and once the corresponding regulatory authorizations (European and local) had been obtained, the parties executed the share transfer agreement whereby Santander Consumer Bank AG acquired 51% of the share capital of Hyundai Capital Bank Europe, GmbH, whose share capital was EUR 11.3 million, fully paid up and represented by 11,257,892 shares with a par value of EUR 1 each, through the acquisition of 5,741,525 shares with a par value of EUR 1 each, all with voting rights, for a total amount of EUR 57.6 million.

Capital increases

In 2020 and 2019, 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:

	Millions of Euro (*)	
	2020	**2019**
Banca PSA Italia S.p.A.	—	30.0
PSA Bank Deutschland GmbH	—	10.0
Hyundai Capital Bank GmbH (**)	256.4	30.6
Santander Consumer Holding GmbH	250.0	—
Santander Consumer Bank AS	192.5	—
Santander Consumer Bank AG	250.0	—
TOTAL	**948.9**	**70.6**

(*) Includes, exclusively, the disbursements made by the Group on these capital increases.
(**) The amounts indicated for the year 2020 of these entities correspond to the subscription of a 51% stake in the capital stock of these entities.

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

On 18th February 2021, after the closing of consolidated financial statements, the Board of Directors resolved the distribution of a dividend charged to the profit of EUR 114,652,316.49. Moreover the general shareholders meeting at its meeting held on 18th February 2021, approved a distribution of a dividend charged to voluntary reserves of EUR 452,970,627.45. Apart from the above and the issues considered in the risk factor entitled "*Risk Factors - Macro-Economic and Political Risks - The current global COVID-19 pandemic has materially impacted the business of the Consumer Group, and the continuance of this pandemic or any future outbreak of any other highly contagious diseases or other public health emergency, could materially and adversely impact its business, financial condition, liquidity and results of operations*", the Issuer is not aware of any other events.

Board of Directors

The Board of Directors has extensive powers to manage, administer and govern all matters related to our business, subject only to any powers exercisable solely by the General Meeting of shareholders. Our 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 our shares, 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 was comprised of twelve members, excluding its Non Director Secretary, as set out in the table below.

Board Members	Functions	1st Appointment Date	Reelection Date
Mr. Sebastian Gunningham	Chairman	28/07/2020	-
Mr. Jose Luis de Mora Gil Gallardo	Deputy Chairman CEO	26/11/2015 31/12/2019 / Deputy Chairman 17/12/2020 / CEO	20/12/2018
Mr. Ezequiel Szafir	CEO	17/12/2020	-
Mr. Javier Monzón de Cáceres	Deputy Chairman	22/10/2020	-
Mr. Bruno Montalvo Wilmot	Member	24/05/2012	20/12/2018
Mr. Antonio Escámez Torres	Member	10/06/1999	20/12/2018
Ms. Benita Ferrero-Waldner	Member	01/08/2019	-
Ms. Alejandra Kindelan Oteyza	Member	28/02/2019	
Mr. Jean-Pierre Landau	Member	23/12/2015	28/02/2019
Mr. Andreu Plaza López	Member	24/07/2018	
Mr. Jose Manuel Robles Fernández	Member	30/10/2018	
Mr. Luis Alberto Salazar-Simpson Bos	Member	29/05/2013	20/12/2018
Mr. Fernando García Solé	Non-Director Secretary	22/07/1999	-
Mr. Victor Dorado González	Non-Director Vice Secretary	17/12/2020	

The principal outside activities carried out by members of the Board of Directors at the date of this Base Prospectus included:

Directors	Company Name	Functions
Mr. Sebastian Gunningham	Open Bank, S.A Santander Consumer Finance, S.A. Santander Digital Businesses, S.L. Devo Inc Saks Fith Avenue.com Santander Fintech Holdings, S.L. Get Fabric Ltd	Deputy Chairman Chairman Member of the Board Member of the Board Member of the Board Member of the Board Member of the Board
Mr. Jose Luis de Mora Gil-Gallardo	Santander Consumer Finance, S.A. Banco Santander, S.A. BANK ZACHODNI WBK Gil Gallardo y Mora, S.L. Santander Fintech Holdings, S.L. Financiera El Corte Inglés, EFC, S.A. Santander Fintech Limited	Deputy Chairman Director Member Administrator Member Member Member
Mr. Javier Monzón de Cáceres	Santander Consumer Finance, S.A. Open Digital Services, S.L. Wabisabi Inversión y Servicios, S.L. Fundación Endeavour Fundación Conocimiento y Desarrollo 4iQ Inc.	Deputy Chairman Chairman of the Board Administrator Patronage Chairman Executive Committee Member of the Board
Mr. Bruno Montalvo Wilmot	Santander Consumer Finance, S.A. Santander Consumer Bank, S.A. Carfinco Financial Group Inc Carfinco Inc Santander Consumer UK Volvo Car Financial Services UK PSA Financial Services UK	Member of the Board Member of the SB Chairman of the Board Chairman of the Board Member of the Board Member of the Board Member of the Board
D. Antonio Escámez Torres	Arena Media Communications España S.A. Santander Consumer Finance, S.A. Fundacion Konecta GRUPO KONECTANET, S.L. Santander Bank Poslka S.A. GMM Topco Conexión, S.L.	Chairman of the Board Member of the Board Chairman of the Board Member of the Board Chairman of the SB Member of the Board
Ms. Benita Ferrero-Waldner	Santander Consumer Finance, S.A. Munich Re Palladia Internacional Consulting	Member of the Board Member of the SB Administrator
Mr. Luis Alberto Salazar-Simpson Bos	Santander Consumer Finance, S.A.	Member of the Board

	Constructora Inmobiliaria Urbanizadora Vasco-Aragonesa, S.A.	Chairman
Mr. Andreu Plaza López	Santander Consumer Finance, S.A.	Member of the Board of Directors
	Santander Global Technology, S.L.	Member of the Board of Directors
	Santander Global Operations, S.A.	Member of the Board of Directors
	Banco Santander Totta, S.A.	Member of the Board of Directors
	Banco Santander Uruguay, S.A.	Member of the Board of Directors
Mr. Jean Pierre Landau	Santander Consumer Banque, S.A.	Member of the Supervisory Board
	Santander Consumer Finance, S.A.	Member of the Board of Directors
Mr. Jose Manuel Robles	Santander Consumer Finance, S.A.	Member of the Board of Directors
Ms. Alejandra Kindelan	Santander Consumer Finance, S.A.	Member of the Board of Directors
	Banco Santander Rio	Member of the Board of Directors

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

The professional address of our management is Ciudad Grupo Santander, Avenida de Cantabria s/n, Boadilla Del Monte (Madrid, Spain).

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. José Luis de Mora Gil-Gallardo	Member
Mr. Bruno Montalvo Wilmot	Member
Mr. Ezequiel Szafir	Member
Mr. Fernando García Sole	Secretary
Mr. Victor Dorado González	Vice Secretary

Audit Committee

The main responsibilities of the Audit Committee are:

(a) to report to the General Shareholders' Meeting on any issues relating to the committee's area of responsibility, and particularly on the results of the audits, explaining how this has contributed to the integrity of the financial information presented, and the role played by the committee in the process;

(b) to supervise the efficiency of the company's Internal Control function, internal audit and risk management systems, and discuss with the auditor of the company's financial statements any significant weaknesses in the internal control system detected during the audit, while remaining independent at all times. For these purposes, any recommendations or proposals may be submitted to the management body, in addition to the corresponding monitoring term;

(c) to supervise the preparation and presentation of mandatory financial information and present recommendations and proposals to the governing body to safeguard its integrity;

(d) to submit to the Board of Directors all proposals for the selection, appointment, re- election or replacement of the auditor of the company's financial statements, taking responsibility for the selection process in accordance with article 16, sections 2, 3 and 5, and 17.5 of Regulation (EU) 537/2014, of 16 April, and the contracting conditions of the auditor, in addition to regularly collecting information on the audit plan and its execution, while preserving the independence of its functions;

(e) to establish suitable relations with the external auditor in order to receive information on any issues that might threaten its independence, so that this information may be examined by the Committee, and any other information related to the audit of the financial statements, and when necessary to authorize services other than those prohibited in accordance with article 5, sections 4, and 6.2.b) of Regulation (EU) 537/2014, of 16 April and under title I, chapter IV, section 3 of Law 22/2015, of 20 July, on accounts auditing, in relation to independence, and any other disclosures stipulated in audit legislation and auditing standards. Every year, the Committee shall receive from the external auditor a statement of its independence in its relations with the entity or entities to which it is linked directly or indirectly, in addition to detailed information on each additional service of any kind rendered and the corresponding fees received from these entities by the external auditor or persons or entities linked to the external auditor, pursuant to the regulations governing the audit of financial statements;

(f) to produce an annual report, prior to the issue of the audit report, expressing an opinion on whether the independence of the auditors or audit companies has been compromised in any way. This report must provide an assessment based on each of the additional services rendered referred to in the previous point, considered separately and as a whole, other than statutory audit services, and in relation to the system to ensure independence as well as any other audit regulations;

(g) to report to the Board of Directors on all issues stipulated by law, the by-laws and the Rules and Regulations of the Board, specifically regarding:

  (i) the financial information the company should publicly disclose on a regular basis;

  (ii) the creation or acquisition of stakes in special purpose vehicles or entities domiciled in countries or territories that are considered to be tax havens, and

  (iii) transactions with related parties;

(h) to participate in any proposal to appoint and / or remove the Chief Audit Executive (CAE); and

(i) to participate in the setting of objectives for the CAE, as well as the CAE's annual performance and variable remuneration assessment;

The Audit Committee members are set out in the following table:

Jean Pierre Landau	Member
Luis Alberto Salazar-Simpson	Chairman
José Manuel Robles Fernández	Member
Benita Ferrrero-Waldner	Member
Fernando García Solé	Secretary

Risk Supervision, Regulation and Compliance Committee

The Committee shall have the following responsibilities, in addition to any others attributed to it under prevailing legislation:

(a) Support and advise the Board of Directors in defining and assessing the risk policies affecting the Issuer and in determining its risk propensity and strategy.

The Issuer's risk policies should include:

- Identification of the various types of risk (operational, technological, financial, legal, and reputational) that the Issuer faces, with financial and economic risks being understood to include contingent liabilities and off-balance sheet liabilities;
- Establishing the risk appetite that the Issuer deems acceptable;
- The planned measures to mitigate the impact of identified risks, in the event that they materialize; and
- The information and internal control systems that will be used to control and manage such risks, including tax risks.

(b) Assist the board in monitoring the implementation of the risk strategy, and the alignment thereof with Strategic Commercial Plans.

(c) Assist the board in approving capital and liquidity strategies and to supervise their implementation.

(d) Ensure that the pricing policy for the assets and liabilities offered to customers is fully aligned with the Issuer's business model and risk strategy. Where this is not the case, the committee shall submit a plan to correct the policy to the Board of Directors.

(e) Understand and assess the risks arising from the macroeconomic environment and the economic cycles that form the backdrop to the activities of the Issuer and the Consumer Group. Systematic review of exposure for major customers, economic activity sectors, geographic areas and risk types.

(f) Supervise the risk function, without prejudice to the direct access of this to the Board of Directors. Specifically:

- To report the Appointments Committee proposals for the appointment of the Chief Risk Officer (CRO);
- To ensure the independence and effectiveness of the risk function;
- To ensure that the risk function has the human and material resources needed for its work.
- To receive regular information on its activities, including any weaknesses identified and breaches of established risk limits.
- Annual appraisal of the risk function and the performance of the Chief Risk Officer (CRO).

(g) Support and assistance to the board in the performance of stress tests by the Issuer, in particular by assessing the scenarios and assumptions to be used in such tests, evaluating the results thereof and analysing the measures proposed by the Risk Function as a consequence of such results.

(h) Understand and assess the management tools, improvement measures, development of projects and other significant activity related to risk control, including the policy on internal risk models and their internal validation.

(i) Determine, together with the Board of Directors, the nature, amount, format and frequency of the risk information to be received by the Committee and the Board of Directors. In particular, the committee shall receive periodic information from the Chief Risk Officer (CRO).

(j) Assist in establishing rational remuneration policies and practices. For this purpose, without prejudice to the duties of the Remuneration Committee, the Committee shall examine 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 Committee should also conduct subsequent analysis of the criteria used to determine compensation and the ex-ante risk adjustment, based on how risks previously assessed actually materialised.

(k) Supervise the compliance function and, in particular:

- to report the Appointments Committee proposals for the appointment of the Chief Compliance Officer (CCO);
- to ensure that the compliance function has the human and material resources needed for its work;
- to regularly receive information regarding its activities;
- regular assessment of the operation of the Issuer's compliance programme, making the proposals required for its improvement, and an annual report on the performance of the Chief Compliance Officer (CCO). It is also responsible for overseeing the operation and compliance of the criminal risk prevention system. In the performance of this task, the committee will have autonomous initiative and control powers. This includes, without limitation, the power to obtain any information it deems appropriate and to call any officer or employee of the Consumer Group, specifically including 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 committee shall periodically evaluate the operation of the prevention model and the effectiveness thereof in preventing or mitigating the commission of crimes, for which purpose it may rely on external assessment when it feels this is appropriate, and shall propose to the Board of Directors any changes to the criminal risk prevention model and to the compliance programme in general that it deems fit in view of such evaluation;
- to report on the approval of and modifications to the regulatory compliance policy, the General Code of Conduct, manuals and procedures for anti-money laundering and terrorist financing procedures and other sector codes and regulations requiring the approval of the Board of Directors, ensuring that these are suitably aligned with the corporate culture, and to oversee compliance with these;
- to establish and supervise a mechanism that enables Banco Santander Group employees to confidentially and anonymously report breaches of regulatory requirements and internal governance, whether actual or potential, with specific procedures for receiving reports and their monitoring that ensure that the employee is adequately protected;

- to receive information and, where applicable, issue reports concerning any disciplinary measures applied to members of senior management; and

- to supervise the implementation of actions and measures resulting from reports and inspections by the administrative, supervisory and control authorities.

(l) Review of the Issuer's corporate social responsibility policy, ensuring that it is aimed at value creation for the Issuer, and monitoring of the strategy and practices in this field, evaluating the level of adherence thereto.

(m) Support and advise the Board in relation to the Corporate Governance System and the Issuer's internal governance, with regular assessment of the effectiveness of the Issuer's governance system.

(n) Support and advise the Board in relations with supervisors and regulators.

(o) Monitor and assess any regulatory proposals and new regulations that may be applicable.

(p) Report on any proposed amendments to this Charter prior to their approval by the Board of Directors.

(q) Evaluate, at least once a year, its operation and the quality of its work.

(r) Participate in any proposal to appoint and / or remove the Chief Risk Officer and the Chief Compliance Officer.

(s) Validate the performance objectives of the Chief Risk Officer and the Chief Compliance Officer.

(t) Ensure the adequate exercise of its functions, the Issuer shall guarantee that the Committee has access to information on the Issuer's risk situation and, where necessary, the Risk Management unit and specialist external assessment.

The Risk Supervision, Regulation and Compliance Committee members are set out in the following table:

José Manuel Robles Fernández	Chairman
Fernando García Solé	Secretary
Jean-Pierre Landau	Member
Antonio Escámez Torres	Member
Luis Alberto Salazar-Simpson	Member

Nomination Committee

The main responsibilities of the Nomination Committee are the following:

(a) to identify and recommend for approval by the Board of Directors or the General Meeting Board, candidates to fill vacant board positions;

(b) to evaluate the knowledge, capacity, diversity and experience of the Board of Directors and elaborate a description of the functions and aptitudes needed to a concrete nomination, taking into account the expected time commitment of that particular position;

(c) to evaluate regularly, at least once a year, the suitability of the members of the Board of Directors and of the Board as a unit. Then inform to the Board of Directors of the results of this evaluation;

(d) to regularly review the Board of Directors policy regarding the selection process and the nomination process for senior management members and make recommendations; and

(e) to establish, in accordance with article 31.3 of 10/2014 Law of June 26th, an objective of equal gender representation in the Board of Directors and elaborate orientations about how to increase the number of people of the less represented gender in order to achieve the objective of equality. The objective, the proposed actions and its application will be published with the information required to be included by 435.2.c) of the UE Regulation number 575/2013 of 26 June 2013. The Bank of Spain will send this information to the European Banking Authority.

The Nomination Committee members are set out in the following table:

Jean-Pierre Landau	Chairman
Luis Alberto Salazar-Simpson	Member
Benita Ferrero-Waldner	Member
Fernando García Solé	Secretary

Remuneration Committee

The main responsibilities of the Remuneration Committee are the following:

(a) to prepare decisions relating to remuneration that the Board of Directors must adopt, including those that have an impact on the Issuer's risk and risk management;

(b) to report on the general remuneration policy for the members of the Board of Directors, senior executives and similar posts, and on the individual remuneration and other contract conditions for members of the Board of Directors who perform executive functions, ensuring that these are observed;

(c) to oversee compliance with the remuneration policy established by the Issuer for members of the Board of Directors and senior management;

(d) to regularly review remuneration programmes, evaluating their performances and the need for modifications, ensuring that the remuneration for executives reflects the criteria of moderation and suitability in terms of the Issuer's results; and

(e) to ensure the transparency of remuneration and, to that end, submit all relevant information to the Board of Directors.

The Remuneration Committee members are set out in the following table:

José Manuel Robles Fernández	Chairman
Fernando García Solé	Secretary
Luis Alberto Salazar-Simpson	Member
Antonio Escámez Torres	Member
Jean-Pierre Landau	Member

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 18 of the Rules and Regulations of the Board, 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 corresponding Nomination and Remuneration Committee.

In 2020 and 2019 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 Consumer Group's current or future financial position or profitability.

TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Moreover, it 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 purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus along with any administrative pronouncements or 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 European Financial Transactions Tax ("FTT")

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

The Commission's Proposal has very broad scope and could, if introduced in its current form, impose a tax at generally not less than 0.1%, generally determined by reference to the amount of consideration paid, on certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in 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.

Moreover, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw. Prospective Holders are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

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 the acquisition of shares (including transfer or conversion) of Spanish companies with a market capitalisation of more than

EUR 1 billion, at a tax rate of 0.2 per cent. In principle, the Spanish FTT does not affect transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives.

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 document:

(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;

(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, and 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;

(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 NRIT, Legislative Royal Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law as amended by Law 26/2014, of 27 November, and 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.

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 Legislative Royal 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***

2.1 *Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Both interest payments periodically received and income derived from the transfer, redemption or exchange of the Notes 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% on the first EUR 6,000, 21% for taxable income between EUR 6,001 and EUR 50,000, 23% for taxable income between EUR 50,000 and EUR 200,000 and 26% for taxable income exceeding EUR 200,000.

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.

However, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the current rate of 19% which would be made by the depositary or custodian.

Withheld amounts may be credited against individuals' final PIT liability.

2.2 *Net Wealth Tax (Impuesto sobre el Patrimonio)*

Individuals with tax residency in Spain are 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.

2.3 *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 effective tax rates currently may 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*

3.1 *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 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.

3.2 *Net Wealth Tax (Impuesto sobre el Patrimonio)*

Legal entities resident in Spain for tax purposes are not subject to Wealth Tax.

3.3 *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*

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

(a) With 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)*".

See "*Taxation in Spain-Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*".

(b) 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.

4.2 *Net Wealth Tax (Impuesto sobre el Patrimonio)*

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. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR 700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 2.5%.

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

Non-Spanish individuals will be exempt from Net Wealth Tax in respect of Notes which income is exempt from NRIT.

Non-Spanish resident legal entities are not subject to Net Wealth Tax.

4.3 *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, if the deceased, heir or the donee are resident in an EU or European Economic Area Member State, 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. ***Tax Rules for Notes not Listed on an Organised Market in an OECD Country***

5.1 *Withholding on Account of PIT, CIT and NRIT*

If the Notes are not listed on an 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 EU other than Spain or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, and obtain the interest income either directly or through a permanent establishment located in another Member State of the European Union (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, **provided that** such 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 tax haven (as defined by Royal Decree 1080/1991, of 5 July, as amended) or (b) 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 Royal Decree 634/2015, of 10 July 2015 or non- Spanish financial entities acting through a Spanish branch as referred to in the second paragraph of Article 8.1 of the Non-Resident Income Tax Regulations approved by Royal Decree 1776/2004, of 30 July 2004; or (c) resident for tax purposes of a country which has entered into a double tax treaty with Spain providing for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Beneficial Owners; 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 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.

5.2 *Net Wealth Tax (Impuesto sobre el Patrimonio)*

See "*Taxation in Spain-Individuals with Tax Residency in Spain — Net Wealth Tax (Impuesto sobre el Patrimonio)*" and "Taxation in Spain – Individuals and legal entities with no tax residency in Spain – Net Wealth Tax (*Impuesto sobre el Patrimonio*)".

6. ***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 Base Prospectus 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.

In accordance with Section 44, for the purpose of preparing the annual return to be filed with the Spanish tax authorities by the Issuer, 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.

Such information comprises:

(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 in the Spanish language, an English language form of which is attached as Exhibit 1 of this Base Prospectus.

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 withhold tax at the then-applicable rate (as at the date of this Base Prospectus, 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 reimburse the amounts withheld. 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 per cent) 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.

Investors should note that neither the Issuer nor any Dealer accepts any responsibility in the event of the late delivery or, as the case may be, non-delivery by the Issue and Paying agent to the Issuer of a duly completed certificate in the form of Exhibit 1. Accordingly, the Issuer will not be liable for any damage or loss suffered by any Holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because the Issuer has not received such certificate at the relevant time or at all. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See "*Risk Factors – Risks Relating to the Notes – Taxation in Spain*".

Set out below is Exhibit 1. The information set out in Exhibit 1 has been translated from the original Spanish and has been presented in this document in English only as the language of this Base Prospectus is English. However, only the Spanish language text of Exhibit 1 is recognised under Spanish law. In the event of any discrepancy between the English language translation of the information in Exhibit 1 appearing herein, and the Spanish language information appearing in the corresponding certificate provided by the Issue and Paying Agent to the Issuer, the Spanish language information shall prevail.

EXHIBIT 1

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

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

(a) Management Entity of the Public Debt Market in book entry form.

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

(d) Paying Agent appointed by the issuer.

Makes the following statement, according to its own records:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identification of the securities……

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

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 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 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. In relation to paragraph 5 of Article 44.

2.1 Identification of the securities……..

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

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

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

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

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

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

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

Taxation in Ireland

The following is a summary of the Irish withholding tax treatment of the Notes. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the date of this Base Prospectus and may be subject to change. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular Holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of payments thereon under any laws applicable to them.

Withholding Tax

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20 per cent.).

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the Issuer operate in Ireland through a branch or agency with which the issue of the Notes is connected, nor are the Notes held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Notes, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation. In addition, the mere offering of Notes to Irish investors will not cause any payments to have an Irish source.

Accordingly, the Issuer or any paying agent acting on behalf of the Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Notes.

Separately, for as long as the Notes are quoted on a stock exchange, a purchaser of the Notes should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Notes.

Encashment Tax

Payments on any Notes paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Notes will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent.), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Notes entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, 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 is a foreign financial institution for these purposes. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. 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 prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes 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 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. However, if additional instruments (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. 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.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Intesa Sanpaolo, S.p.A., Banco Santander, S.A., BofA Securities Europe SA, Barclays Bank Ireland PLC, BNP Paribas, Cecabank, S.A., Citigroup Global Markets Europe AG, Commerzbank, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities Sociedad de Valores, S.A., Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, ING Bank N.V., J.P. Morgan AG, Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH, Mizuho Securities Europe GmbH, Morgan Stanley, MUFG Securities (Europe) N.V., NATIXIS, NatWest Markets N.V., Nomura Financial Products Europe GmbH, Skandinaviska Enskilda Banken AB (publ), Société Générale, UBS Europe SE and UniCredit Bank AG (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated 17 June 2021 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

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

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

EU

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

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

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation;

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

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

Public Offer Selling Restriction Under the Prospectus Regulation in EEA

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) ***Approved prospectus***: if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1.4 of the Prospectus Regulation in that Relevant State (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) ***Qualified investors***: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) ***Limited number of offerees***: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) ***Other exempt offers***: at any time in any other circumstances falling within Article 1.4 of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Notes to be offered, so as to enable an investor to decide to purchase or subscribe for those Notes.

UK

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom.

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

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA;

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

(iii) not a qualified investor as defined in Article 2 of UK Prospectus Regulation;

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

(c) the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in *connection* with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Public Offer Selling Restriction Under the Prospectus Regulation in the UK

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", in relation to the UK, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) ***Approved prospectus***: if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) ***Qualified investors***: at any time to any legal entity which is a qualified investor as defined in in Article 2 of UK Prospectus Regulation;

(c) ***Limited number of offerees***: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined Article 2 of UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) ***Other exempt offers***: at any time in any other circumstances falling within within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of UK Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons 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 FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; 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 any Notes in, from or otherwise involving the UK.

France

Each Dealer has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French Code monétaire et financier and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors the Base Prospectus, any Final Terms or any other offering material relating to the Notes.

Italy

The offering of any Notes has not been registered pursuant to Italian securities legislation and, accordingly each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public, and that sales of any Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Notes or distribute copies of the Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*) referred to under Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the "**Prospectus Regulation**") and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**"), or Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

In any event any offer, sale or delivery of any Notes or distribution of copies of the Base Prospectus or any other document relating to any Notes in the Republic of Italy must be:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Italy in accordance with the Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time), and/or any other Italian authority.

Investors should also note that, in connection with the subsequent distribution of the Notes (with a minimum denomination lower than €100,000 or its equivalent in another currency) in the Republic of Italy, in accordance with Article 100-bis of the Decree No. 58, where no exemption from the rules on public offerings applies under paragraph (a) or (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Prospectus Regulation and the applicable Italian laws and regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by investors.

Japan

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that 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) 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 will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

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 Spain, except in circumstances which do not require the registration of a prospectus in Spain, or without complying with all legal and regulatory requirements under Spanish securities laws and the Prospectus Regulation. No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Neither the Notes nor the Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Base Prospectus is not intended for any offer of the Notes in Spain that would require the registration of a prospectus with the CNMV.

Hong Kong

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold directly or indirectly within the PRC, except as permitted by applicable laws of the PRC. The Base Prospectus or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The Base Prospectus, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by the PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission, and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

Belgium

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 sell, offer or otherwise make available, any Notes to any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended, in Belgium.

Singapore

Each of the Dealers has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (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 Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(a) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1)(c) of 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 CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The Notes may only be offered or marketed in Switzerland to professional clients as defined in article 4 of the Swiss Financial Services Act ("**FinSA**") and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any Final Terms nor any other offering or marketing materials relating to the Notes constitute a prospectus pursuant to the FinSA, no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

Neither this Base Prospectus nor any Final Terms nor any other offering or marketing materials relating to the Notes have been or will be filed with or approved by any Swiss regulatory authority or any review body, and none of the aforementioned documents and materials may be distributed or otherwise made available to persons in Switzerland that are not professional clients.

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.

Republic of Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act of Korea and the decrees, rules and regulations promulgated thereunder. The Notes may not be offered, sold or delivered, directly or indirectly, or offered or sold for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea except as otherwise permitted under the applicable Korean laws and regulations.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, to the best of its knowledge and belief, it has complied and will comply in all material aspects with all applicable securities 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 Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus 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 Base Prospectus 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 above) 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 Base Prospectus.

GENERAL CONSENT - THE AUTHORISED OFFEROR TERMS

These terms (the "**Authorised Offeror Terms**") will be relevant in the case of any Tranche of Notes, if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable". They are the Authorised Offeror Terms which will be referred to in the "**Acceptance Statement**" to be published on the website of any financial intermediary which (a) is authorised to make such offers under MiFID II and (b) accepts such offer by publishing an Acceptance Statement on its website.

1. General

The relevant financial intermediary:

(i) ***Applicable Rules***: acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;

(ii) ***Subscription and sale***: complies with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a relevant Dealer, considers the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms, and complies with any further relevant requirements as may be specified in the applicable Final Terms;

(iii) ***Fees, commissions and benefits***: ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;

(iv) ***Licences, consents, approvals and permissions***: holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;

(v) ***Violation of Rules***: it will immediately inform the Issuer and any relevant Dealer if at any relevant time it becomes aware or suspects that it is or may be in violation of any Rules;

(vi) ***Anti-money laundering, bribery and corruption***: complies with, and takes appropriate steps in relation to, applicable anti-money laundering, anti-bribery, prevention of corruption and "know your client" Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the purchase monies;

(vii) ***Record-keeping***: retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Issuer and the relevant Dealer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer and/or the relevant Dealer;

(viii) ***Breach of Rules***: does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(ix) ***Publicity names***: does not use the legal or publicity names of the Issuer or the relevant Dealer(s) or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes;

(x) ***Information***: does not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;

(xi) ***Communications***: agrees that any communication in which it attaches or otherwise includes any announcement published by the Issuer at the end of the Offer Period will be consistent with the Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and must expressly confirm that the Issuer has not accepted any responsibility for the content of any such communication;

(xii) ***Legal or publicity names***: does not use the legal or publicity names of the relevant Dealer, the Issuer or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes; and

(xiii) ***Any other conditions***: agrees to any other conditions set out in paragraph 8(xi) of Part B of the relevant Final Terms.

2. Indemnity

The relevant financial intermediary agrees that if the Issuer incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses and any value added tax thereon) (a "**Loss**") arising out of, in connection with or based on any inaccuracy of any of the foregoing representations and warranties or any breach of any of the foregoing undertakings then the relevant financial intermediary shall pay to the Issuer on demand an amount equal to such Loss.

3. Governing Law and Jurisdiction

The relevant financial intermediary agrees that:

(i) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the offer of the Issuer to use this Base Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;

(ii) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly the relevant financial intermediary submits to the exclusive jurisdiction of the English courts;

(iii) each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit but, subject to this, a person who is not a party to the Authorised Offeror Contract has no right to enforce any term of the Authorised Offeror Contract; and

(iv) the parties to the Authorised Offeror Contract do not require the consent of any person not a party to the Authorised Offeror Contract to rescind or vary the Authorised Offeror Contract at any time.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by resolutions of the shareholders of the Issuer passed on 16 October 2008 and of the Board of Directors of the Issuer passed on 16 October 2008. The update of the Programme was authorised by resolutions of the shareholders of the Issuer passed on 18 March 2021, the Board of Directors of the Issuer passed on 18 March 2021 and the Executive Committee passed on 3 June 2021. 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.

Legal and Arbitration Proceedings

2. 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 Base Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Consumer Group.

Significant/Material Change

3. Save as set out in this Base Prospectus 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 2020 there has been no significant change in the financial performance or financial position of the Issuer and/or the Consumer Group nor any material adverse effect in the prospects of the Issuer and/or the Consumer Group.

Auditors

4. The audited consolidated financial statements of the Issuer, prepared under IFRS-EU, have been audited without qualification as of and for the years ended 31 December 2020 and 31 December 2019 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*.

The audited consolidated financial statements of the Issuer, prepared under IFRS-EU, as of and for each of the years ended 31 December 2020 and 2019 have been filed with the Spanish securities market regulator (*Comisión Nacional del Mercado de Valores*).

Dealers transacting with the Issuer

5. Certain of the Dealers and their respective affiliates may have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, its respective affiliates and group in the ordinary course of business. Certain of the Dealers may have or may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates. The Dealers have received, or may in the future receive, customary fees and commissions for these transactions. Certain of the Dealers and their respective affiliates may have positions, deal or make markets in Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their respective 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 respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of long and/or short positions in securities, including potentially the Notes issued under the Programme. Any such long and/or short positions could adversely affect

future trading prices of Notes issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" includes also parent companies.

Documents on Display

6. 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 One Canada Square, London E14 5AL, United Kingdom, at the registered office of the Issuer for the life of this Base Prospectus and at https://www.santanderconsumer.com for as long as Notes may be issued pursuant to this Base Prospectus:

(i) the *estatutos* (by-laws) of the Issuer; and

(ii) a copy of this Base Prospectus.

Address of the member of the Board of Directors

7. For this sole purpose, the business address of each of the members of the Board of Directors is: Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid.

Registration Number and incorporation information

8. The Issuer was incorporated on 31 August 1963 and is registered in the Mercantile Registry of Madrid in book 356, folio 25, sheet M7029, entry 1.

Conflicts of interest

9. There are no actual or potential conflicts of interest between the duties to the Issuer of any of its directors and their respective private interests and/or other duties.

Material Contracts

10. Save as set out under "*Santander Consumer Finance, S.A. - Recent Developments*" in this Base Prospectus, 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.

Clearing of the Notes

11. The Notes have been accepted for clearance through Euroclear (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium) and Clearstream, Luxembourg (42 Avenue J.F. Kennedy, L-1855 Luxembourg). The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Passporting

12. The Issuer may, on or after the date of this Base Prospectus, make applications for one or more certificates of approval under Article 25 of the Prospectus Regulation as implemented in the Kingdom of Spain to be issued by the Central Bank of Ireland to the competent authority in any Member State.

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, D02 RF29
Ireland

DEALERS

Intesa Sanpaolo S.p.A.
Divisione IMI Corporate & Investment Banking
Via Manzoni 4
20121 Milan
Italy

Banco Santander, S.A.
Calle Juan Ignacio Luca de Tena, 11
Edificio Magdalena, Planta 1
28027 Madrid
Spain

BofA Securities Europe SA
51 rue la Boétie
75008 Paris
France

Barclays Bank Ireland PLC
One Molesworth Street
Dublin, D02 RF29
Ireland

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

Cecabank, S.A.
Calle Alcalá 27
28014 Madrid
Spain

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt am Main
Germany

Société Générale
29 boulevard Haussmann
75009 Paris
France

Commerzbank Aktiengesellschaft
Kaiserstrasse 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Crédit Agricole Corporate and Investment Bank
12, Place des États-Unis
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92547 Montrouge Cedex
France

Credit Suisse Securities Sociedad de Valores, S.A.
One Cabot Square
London E14 4QJ
United Kingdom

Deutsche Bank Aktiengesellschaft Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

Goldman Sachs Bank Europe SE
Marienturm
Taunusanlage 9-10
60329 Frankfurt am Main
Germany

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

J.P. Morgan AG
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH
Thurn-und-Taxis Platz 6
60313 Frankfurt am Main
Germany

UBS Europe SE
Bockenheimer Landstraße 2-4
60306 Frankfurt am Main
Germany

Mizuho Securities Europe GmbH
Taunustor 1
60310 Frankfurt am Main
Germany

Morgan Stanley & Co. International PLC
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

MUFG Securities (Europe) N.V.
World Trade Center, Tower H, 11th Floor
Zuidplein 98
1077 XV Amsterdam
The Netherlands

NATIXIS
30 Avenue Pierre Mendès France
75013 Paris
France

NatWest Markets N.V.
Claude Debussylaan 94
Amsterdam 1082 MD
The Netherlands

Nomura Financial Products Europe GmbH
Rathenauplatz 1
60313, Frankfurt-am-Main
Germany

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
106 40 Stockholm
Sweden

ISSUE AND PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

IRISH LISTING AGENT

Walkers Ireland LLP

The Exchange
George's Dock
IFSC
Dublin 1
Ireland

LEGAL ADVISERS

To the Issuer as to Spanish law

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To the Dealers as to English law

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To the Dealers as to Spanish law

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