

## BASE PROSPECTUS



**BANCO SANTANDER TOTTA, S. A.**  
(incorporated with limited liability in the Republic of Portugal)  
acting through its Lisbon Head Office

**EUR 10,000,000,000**  
**Euro Medium Term Note Programme**

Under the EUR 10,000,000,000 Euro Medium Term Note Programme (the "*Programme*"), Banco Santander Totta, S.A. ("*BST*" or the "*Issuer*"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "*Notes*"). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 10,000,000,000 (or the equivalent in other currencies).

This base prospectus (the "*Base Prospectus*") has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the "*CSSF*"), as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "*Prospectus Regulation*") and the Luxembourg law relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*) (the "*Prospectus Act 2019*"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in line with the provisions of Article 6(4) of the Prospectus Act 2019. Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange (the "*Official List*").

References in this Base Prospectus to Notes being "*listed*" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended "*MiFiD II*").

**This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid until 23 May 2025 in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "*EEA*").** The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Notes will be issued in dematerialised book entry form (*forma escritural*) integrated in and held through *Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.* ("*Interbolsa*"), as operator of the Portuguese centralised securities system, *Central de Valores Mobiliários* ("*CVM*") and will be in nominative form ("*nominativas*") and therefore Interbolsa, at the request of the Issuer, can ask the Affiliate Members of Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer. The CVM currently has links in place with Euroclear Bank SA/NV ("*Euroclear*") and Clearstream Banking S.A. ("*CBL*") through accounts held by Euroclear and CBL with Interbolsa Affiliate Members (as described below).

**An investment in the Notes involves certain risks. For discussion of these risks, see "*Risk Factors*" beginning on page 13 of this Base Prospectus.** Investors should also see the "*Terms and Conditions of the Notes*" beginning on page 47 and "*Taxation*" beginning on page 99 in respect of procedures to be followed to receive payments under the Notes. Noteholders are required to take affirmative action as described herein in order to receive payments on the Notes free from Portuguese withholding tax. Noteholders must rely on the procedures of Interbolsa to receive payments under the Notes.

BST has been assigned a long-term debt rating of "Baa1" with a stable outlook from Moody's Investors Service España, S.A. ("*Moody's*"), "A-" with a positive outlook from S&P Global Ratings Europe Limited ("*S&P*"), "A-" with a stable outlook from Fitch Ratings Ireland Limited ("*Fitch*") and "A" with a stable outlook from DBRS Ratings GmbH ("*DBRS*").

Each of Moody's, S&P, Fitch and DBRS is established in the EEA and registered under Regulation (EC) No. 1060/2009 (as amended) (the "*CRA Regulation*").

The ratings issued by Moody's, S&P, Fitch and DBRS have been endorsed by Moody's Investors Service Ltd, S&P Global Ratings UK Limited, Fitch Ratings Limited and DBRS Ratings Limited respectively in accordance with Regulation (EC) No. 1060/2009 as it forms part of United Kingdom ("*UK*") domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "*UK CRA Regulation*"). Moody's Investors Service Ltd, S&P Global Ratings UK Limited, Fitch Ratings Limited and DBRS Ratings Limited are established in the UK and registered under the UK CRA Regulation. As such, the ratings issued by Moody's, S&P, Fitch and DBRS may also be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. The list of registered and certified rating agencies is published by the European Securities and Markets Authority ("*ESMA*") on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance

with the CRA Regulation and by the UK Financial Conduct Authority (“FCA”) on its website (<https://www.fca.org.uk/firms/credit-rating-agencies>) in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms (as defined below) and will not necessarily be the same as the rating assigned to any other Notes. 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. Whether or not each credit rating applied for in relation to or assigned to a relevant Series of Notes will be issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or the UK CRA Regulation will be disclosed in the applicable Final Terms.

**Arranger and Dealer**  
**Santander Corporate & Investment Banking**

The date of this Base Prospectus is 23 May 2024.

## IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, “*Prospectus Regulation*” means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and “*UK Prospectus Regulation*” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European (Union) Withdrawal Act 2018 (“*EUWA*”).

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Under this Programme, the Issuer may from time to time issue Notes denominated in any currency agreed between the Issuer and the relevant Dealer (as defined herein).

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

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

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

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

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

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

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

life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the “*Final Terms*”) which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may issue unlisted Notes and/or Notes not admitted to trading on any market or Notes listed or admitted to trading on other stock exchanges.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, 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 “*PRIPs 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 PRIPs Regulation.

**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 EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“*FSMA*”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation. 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 PRIPs 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 PRIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes may 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 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 neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled “*UK MiFIR Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “*UK distributor*”) should take into

consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “*UK MiFIR Product Governance Rules*”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

EU Benchmarks Regulation - Amounts payable under the Notes may be calculated by reference to Euro Interbank Offered Rate (“*EURIBOR*”), which is provided by the European Money Markets Institute (“*EMMI*”). As at the date of this Base Prospectus, EMMI is included in ESMA’s register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (the “*EU Benchmarks Regulation*”).

#### **NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (as amended or modified from time to time, the “*SFA*”)**

Unless otherwise stated in the Final Terms in respect of any Notes, 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) 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).

#### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFER OF NOTES GENERALLY**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

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

Prospective investors should understand the risks of investing in any type of Note before they make their investment decision. They should make their own independent decision to invest in any type of Note and as to whether an investment in such Note is appropriate or proper for them based upon their own judgment and upon advice from such advisers as they consider necessary.

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

The 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. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

## PRESENTATION OF INFORMATION

In this Base Prospectus, all references to:

- "*United States*" and "*U.S.*" refer to the United States of America, its territories and possessions;
- "*U.S. dollars*", "*U.S.\$*" and "*\$*" refer to United States dollars;
- "*Sterling*" and "*£*" refer to pounds sterling, the lawful currency of the UK; and
- "*euro*", "*EUR*", "*Eur*" and "*€*" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Certain figures in this Base Prospectus have been subject to rounding adjustments. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures which precede them.

In respect of information in this Base Prospectus sourced from a third party, the Issuer confirms that the information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

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## STABILISATION

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

## GENERAL DESCRIPTION OF THE PROGRAMME

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

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

*Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.*

<b>Issuer:</b>	Banco Santander Totta, S.A.
<b>Issuer Legal Entity Identifier (LEI)</b>	549300URJH9VSI58CS32
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “Risk Factors”.
<b>Arranger:</b>	Banco Santander, S.A.
<b>Dealer:</b>	Banco Santander, S.A. and any other Dealers appointed in accordance with the Programme Agreement.
<b>Agent and Portuguese Paying Agent:</b>	Banco Santander Totta, S.A.
<b>Programme Size:</b>	Up to EUR 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis (subject to applicable tax and legal requirements).
<b>Currencies:</b>	Notes can only be issued in such currencies as Interbolsa may from time to time accept. For the time being, Interbolsa will only settle and clear Notes denominated in Euro, U.S. dollars, Sterling, Japanese Yen, Swiss francs, Australian dollars, Canadian dollars, Chinese renminbi, Norwegian Krone and Swedish Krona. Subject to compliance with relevant laws, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”) including the following restrictions applicable at the date of this Base Prospectus.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Unless otherwise permitted by the Applicable Banking Regulations, Subordinated



Notes will have a maturity of not less than five years. Senior Preferred Notes and Senior Non-Preferred Notes will not be issued with a maturity of less than 398 (three hundred and ninety eight) days or, in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes, such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations.

**Issue Price:**

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

**Form of Notes:**

The Notes issued in dematerialised book-entry form (*forma escritural*) are and will be held through the accounts of affiliate members of the Portuguese central securities depository (each an “*Affiliate Member of Interbolsa*”) and the manager of the Portuguese settlement system, Interbolsa, as operator and manager of the CVM and will be *nominativas* and therefore Interbolsa, at the request of the Issuer, can ask the Affiliate Members of Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer. The form of the Notes is described more comprehensively in “*Form of the Notes and Clearing System*”.

If TEFRA C is not applicable, the applicable Final Terms will specify “TEFRA not applicable”.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Reset Notes:**

Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a mid-market swap rate for the relevant Specified Currency, and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms and as further described in the Terms and Conditions. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined on the basis of EURIBOR (as specified in the applicable Final Terms).

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

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

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

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Cash Bonds (*obrigações de caixa*):**

Portuguese law Notes may qualify as cash bonds (“*obrigações de caixa*”) under the terms of Decree-Law 408/91, of 17 October 1991 (as amended), provided that certain requirements set out therein are met, including that (i) such Notes have a maturity of not less than two years, (ii) the Issuer is not entitled to acquire such Notes before

two years have elapsed since the relevant Issue Date and (iii) the Noteholders may not choose to redeem such Notes before one year has elapsed since the relevant Issue Date.

**Benchmark Discontinuation:**

In the case of Reset Notes or Floating Rate Notes, if a Benchmark Event occurs, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, who may determine, or (if such Independent Adviser fails to make any such determination or the Issuer is unable to appoint an Independent Adviser) the Issuer may determine, a Successor Rate, failing which, an Alternative Reference Rate and, in either case, an Adjustment Spread and any Benchmark Amendments, as further described in Condition 4(f).

**Redemption:**

The Final Terms relating to each Tranche of Notes will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as are indicated in the applicable Final Terms. Any early redemption of a Senior Preferred MREL Eligible Note, a Senior Non-Preferred Note or a Subordinated Note will be subject to the prior consent of the Relevant Authority.

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer at a price equal to at least 100 per cent. of its nominal value on its scheduled maturity date.

**Denomination of Notes:**

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Certain Restrictions*" above) and save that the minimum denomination of each Note will be EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Notes by the Issuer, will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 7 of the Notes), subject as provided in Condition 7 of the Notes. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7 of the Notes and, in the case of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes, in relation to interest only, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:**

Applicable only to Senior Preferred Notes other than Senior Preferred MREL Eligible Notes. The terms of the Notes will contain a negative pledge provision as further described in Condition 3 of the Notes.

**Cross Default:**

Applicable only to Senior Preferred Notes other than Senior Preferred MREL Eligible Notes. The terms of the Notes will contain a cross default provision as further described in Condition 9(a)(v) of the Notes.

**Limited Rights of Acceleration:**

A Noteholder's rights to accelerate Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes are

limited to winding-up or dissolution of the Issuer, as further described in Condition 9.

**Status of the Senior Preferred Notes:** The Senior Preferred Notes will constitute direct, unconditional, unsecured (subject, except in the case of Senior Preferred MREL Eligible Notes, to the provisions of Condition 3 of the Notes) and unsubordinated obligations of the Issuer and the claims of the holders of the Senior Preferred Notes in respect of payments pursuant thereto will, in the event of the winding-up of the Issuer, (to the extent permitted by Portuguese law) rank:

- (i) *pari passu* among themselves;
- (ii) (save for certain obligations required to be preferred by law) at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer from time to time outstanding; and
- (iii) senior to (A) any Senior Non-Preferred Obligations and (B) all subordinated obligations of or claims against the Issuer, present and future.

The Senior Preferred Notes may be Senior Preferred MREL Eligible Notes, if so specified in the applicable Final Terms.

**Status of the Senior Non-Preferred Notes:** The Senior Non-Preferred Notes will constitute direct, unconditional and unsecured obligations of the Issuer and the claims of the holders of the Senior Non-Preferred Notes in respect of payments pursuant thereto will, in the event of the winding-up of the Issuer, (to the extent permitted by Portuguese law) rank:

- (i) *pari passu* among themselves;
- (ii) *pari passu* with the claims of holders of all other Senior Non-Preferred Obligations;
- (iii) junior to any present or future claims of (A) depositors of the Issuer and (B) any unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations (including, for the avoidance of doubt, claims arising from excluded liabilities within the meaning of Article 72a(2) of the CRR); and
- (iv) in priority to any present or future claims of holders of (A) all classes of share capital of the Issuer and (B) all other subordinated obligations or other securities of the Issuer (including the Subordinated Notes) which rank, or are expressed to rank, junior to the Senior Non-Preferred Obligations.

**Status of the Subordinated Notes:** The Subordinated Notes will constitute direct, unconditional and unsecured obligations of the Issuer save that the claims of the holders of the Subordinated Notes in respect of payments pursuant thereto will, in the event of the winding-up of the Issuer, (to the extent permitted by Portuguese law, including, without limitation, Article 8-B of Decree-Law 199/2006 of 25 October 2006, which implements Article 48(7) of the BRRD) be wholly subordinated to the claims of all Senior Creditors of the Issuer and shall rank:

- (i) *pari passu* among themselves;
- (ii) at least *pari passu* with any present or future claims of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Instruments of the Issuer; and
- (iii) in priority to any present or future claims of holders of (A) all obligations of the Issuer which constitute, or would but for

any applicable limitation on the amount of such capital constitute, Tier 1 Instruments of the Issuer, (B) all undated or perpetual subordinated obligations of the Issuer (other than any such obligations which rank, or are expressed to rank *pari passu* with, or in priority to, the Subordinated Notes), (C) all classes of share capital of the Issuer and (D) all other obligations of the Issuer which rank, or are expressed to rank, junior to the Subordinated Notes.

<b>Approval, listing and admission to trading:</b>	<p>Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be listed on the Luxembourg Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series.</p> <p>The Issuer may issue Notes which are neither listed nor admitted to trading on any market. The applicable Final Terms will state whether or not the Notes issued by the Issuer are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
<b>Governing Law:</b>	<p>The Notes shall be governed by, and shall be construed in accordance with, Portuguese law.</p>
<b>Selling Restrictions:</b>	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, Singapore, Switzerland, Japan, UK and the EEA (including Belgium and France) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “<i>Subscription and Sale</i>” below.</p>
<b>United States Selling Restrictions:</b>	<p>The Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in a transaction exempt from or not subject to the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in reliance upon Regulation S under the Securities Act. There are also restrictions under United States tax laws on the offer or sale of the Notes. TEFRA C will apply to the Notes, see “<i>Subscription and Sale</i>” below.</p>
<b>Clearance and Settlement:</b>	<p>Notes will be accepted for clearance through one or more Clearing Systems as specified in the applicable Final Terms. These systems will include those operated by CBL, Euroclear and CVM, the clearing system operated at Interbolsa. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear, CBL or Interbolsa will be specified in the applicable Final Terms.</p>
<b>Rating:</b>	<p>Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to any other Notes. 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.</p>
<b>Representation of the holders of the Notes:</b>	<p>Holders of the Notes may appoint a common representative.</p>

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which 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.*

*Risk factors are presented in categories and sub-categories. In each category and sub-category, the most material risk factors are presented first. The assessment of materiality of the risk factors has been made by the Issuer as of the date of this Base Prospectus on the basis of the probability of the occurrence and the expected magnitude of their negative impact.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

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

### **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE ISSUER AND THE BST GROUP**

#### ***Risks relating to the Issuer's business activities, operational activities and strategy***

#### **The Issuer is sensitive to changes in the Portuguese economy and to current uncertainties in the macro-economic context**

The Issuer, together with its consolidated subsidiaries (the “**BST Group**”), is sensitive to changes in the Portuguese economy and to current uncertainties in the macro-economic context.

The Bank of Portugal projects that the Portuguese economy will grow by 2.0 per cent. in 2024 and 2.3 per cent., on average, in 2025/2026.

Gross Domestic Product (“**GDP**”) growth is expected to decrease in the course of 2024 from 2.3 per cent. to 2.0 per cent., with a recovery in 2025 to 2.3 per cent., and inflation is expected to decline from 5.3 per cent. to 2.4 per cent. in 2024 and down to 2.0 per cent. in 2025. In 2024–2026, economic activity is expected to benefit from the effects of lower inflation, the expansionary impact of the measures adopted in the Portuguese State's Budget (*Orçamento de Estado*) for 2024, and the expected acceleration in external demand. These factors also support a favourable evolution of the labour market, with further increases in employment projected and a stabilisation of unemployment. Economic growth also reflects the contribution of the greater financial execution expected from the Portuguese recovery and resilience plan, which is conditioned by the approval of the structural reforms associated with it and the other European funds. The negative impact on activity of the tightening of monetary and financial conditions will continue to be felt, but to a lesser extent over the projection horizon (Source: *Banco de Portugal, Economic Bulletin, March 2024*).

According to the European Central Bank (“**ECB**”), the Euro area economy weakened in the second half of 2023, dragged down by tighter financing conditions, subdued confidence and competitiveness losses. However, growth is expected to strengthen from early 2024, as real disposable income rises, supported by declining inflation, robust wage growth and resilient employment, and export growth catches up with improvements in foreign demand. The impact of the ECB's monetary policy tightening and adverse credit supply conditions continues to feed through to the Euro area economy, affecting the near-term growth outlook. These dampening effects are expected to fade later in the projection horizon, supporting growth. Overall, annual average real GDP growth is expected to slow down from 3.4 per cent. in 2022 to 0.6 per cent. in 2023, before recovering to 0.8 per cent. in 2024 and stabilising at 1.5 per cent. in 2025 and 2026.

Inflation has continued to decline owing to falling energy inflation, the impact of monetary policy tightening and the ongoing easing of pipeline pressures and supply bottlenecks. Having dropped to 2.4 per cent. in November 2023, inflation is expected to temporarily pick up in the short term owing to a rebound in energy inflation. The underlying disinflationary process is, however, expected to continue, despite strong increases in labour costs, which are increasingly the dominant driver of inflation (excluding energy and food). Despite some cooling, the labour market is projected to remain tight which, together with compensation effects from past high inflation, should keep nominal wage growth high. However, wage growth is expected to ease over the projection horizon as the upward impacts from inflation compensation gradually fade.

Overall, with medium-term inflation expectations assessed to remain anchored at the ECB's 2 per cent. inflation target, headline inflation is expected to decrease from 5.4 per cent. in 2023 to an average of 2.7 per cent. in 2024, 2.1 per cent. in 2025 and 1.9 per cent. in 2026 (Source: *Eurosystem, staff macroeconomic projections for the euro area, December 2023*).

Factors such as interest rates, security prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in client behaviour, business investment, real estate values and private equity valuations, government spending, inflation or deflation, the volatility and strength of the capital markets, political events and trends, war, terrorism, pandemics and epidemics or other widespread health emergencies (such as coronavirus ("**COVID-19**")) all impact the economy and financial markets, whether directly or indirectly, including by increasing the sovereign debt of certain countries, intensifying volatility and widening credit spreads, which could in turn have a material adverse effect on the Issuer's business, results and financial condition and its ability to access capital and liquidity on acceptable financial terms.

**Ongoing developments between Russia and Ukraine and in the Middle East are of great concern and currently represent one of the main uncertainties for the global economy**

Rising commodity prices, sweeping financial sanctions and the ban on energy imports from Russia following its invasion of Ukraine are threatening to hobble the global economy after the damage already inflicted by the COVID-19 pandemic, with severe impacts on any subsequent trade barriers, exchange controls or financial market restrictions and macroeconomic effects, including supply disruptions, pushing up prices for Europe's export-focused manufacturing companies. In addition, sanctions on Russian businesses, decision of several companies to sever ties with Russia and the recession in the country have severely reduced eurozone exports to Russia.

The war has weighed on household spending through higher prices and greater uncertainty. Although difficult to predict as at the date of this Base Prospectus, the tensions caused by Russia's invasion and any further escalation of this conflict may increasingly affect policies on trade, production, duties and taxation globally, and further disrupt supply chains across Europe. The Russia-Ukraine conflict has already had a direct impact on the global economy and financial markets, causing commodity price volatility, increased inflation, problems related to the massive inflow of Ukrainian refugees, increased funding costs and execution risks related to debt issuance in the capital markets and the valuation of bonds in bank portfolios. The uncertainty caused by these and other events and trends has resulted in, and may continue to result in, increased volatility in the financial markets and a deterioration of the economic capacity of the Issuer's counterparties, which could ultimately reduce the availability of funds. Any consequent losses experienced by the Issuer could adversely affect its business activities, financial condition and results of operations.

On 7 October 2023, Hamas launched an unprecedented attack on Israel. The fallout from the Hamas attack and Israel's response could put additional pressure on the increasing geopolitical risks which may impact global confidence, economic activity and energy prices.

Any of these factors, among other adverse factors, such as the escalation of protectionism and trade wars among the major world economic blocs and/or the intensification of other potential military conflicts, could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

**The BST Group is constrained in its ability to obtain funding in the capital markets and may depend on the ECB for funding and liquidity**

As at 31 December 2023, financing obtained from the ECB, consisting entirely of the third series of Targeted Long-Term Refinancing Operations ("**TLTRO III**"), amounted to EUR 0.7 billion. A tranche of EUR 3.5 billion was amortised upon maturity, in June 2023. The net exposure to the Eurosystem stood at EUR -4.9 billion (a surplus position) as at 31 December 2023.

As at 31 December 2023, the BST Group's portfolio of securities eligible for rediscount with the ECB totalled EUR 15.8 billion, compared to EUR 15.1 billion as at 31 December 2022.

The ECB establishes the valuation and eligibility criteria that eligible securities must meet in order to be used in repo transactions with financial institutions. Downgrades of the credit rating of Portugal or Portuguese companies, or changes to the valuations or eligibility criteria, can have a negative impact on the portfolio of securities eligible for that purpose and reduce the liquidity lines available from the ECB. The amount of ECB funding is tied to the value of collateral provided. If the value of the BST Group's assets declines, the amount of funding it can obtain from the ECB will also decline.

The BST Group has been introducing measures to diversify its financing sources beyond the ECB and has been implementing a deleveraging process by attempting to increase customer funds and reduce customer loans, having resumed its financing in the capital markets through the issue of covered bonds. This situation represents a risk of increased financing costs, particularly considering the significant difference between the

ECB funding cost and the cost of collecting deposits and financing operations in the market, which may not be completely offset by the process of repricing loans.

### **The Issuer's activity is subject to market risk**

The Issuer's net income from its assets and liabilities may be adversely impacted due to the materialisation of market risks. The most significant market risks the Issuer faces include interest rate, inflation, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin, which is the difference between lending and borrowing costs. Current structural market conditions, with increasing interest rates and increased medium-term funding costs, may negatively impact the Issuer's operating income.

The Issuer's results of operations depend on the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. Interest rates are highly sensitive to many factors beyond the Issuer's control, including deregulation of the financial sector, monetary policies, and both domestic and international economic and political conditions, among other factors (see the risk factor entitled "*Volatility in interest rates or monetary policy could adversely affect the Issuer's business*" below).

Changes in exchange rates affect the value of assets and liabilities denominated in foreign currencies and may affect income from foreign exchange dealing. In the ordinary course of its business, the Issuer only has a small percentage of its assets and liabilities denominated in currencies other than the euro. Fluctuations in the value of the euro against other currencies may positively or adversely affect the Issuer's profitability. The value of the euro against the U.S. dollar may affect earnings from the Issuer's international operations. These foreign exchange fluctuations and the performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios and may adversely impact the Issuer's business. The Issuer has implemented risk management policies to mitigate and control these and other market risks to which the Issuer is exposed and such exposures are constantly measured and monitored. However, it is difficult to accurately predict changes in economic or market conditions and to anticipate their effects on the Issuer's business activity, financial condition and the results of its operations.

The Issuer currently engages in various treasury activities for its own account, including placing euro and foreign currency-denominated deposits in the inter-bank market and trading in the primary and secondary markets for government securities. Proprietary trading includes taking positions in the fixed income and equity markets using cash, derivative products and financial instruments. Although the Issuer's level of engagement in such activities is limited, proprietary trading involves a degree of risk. Future proprietary trading results will in part depend on market conditions and any losses experienced by the Issuer could adversely affect its business activities, financial condition and results of operations.

### **The Issuer is exposed to the depreciation of real estate assets**

Mortgage lending represented 49.4 per cent. of the Issuer's credit portfolio at the end of 31 December 2023, (compared with 53.4 per cent. at the end of December 2022). Therefore, the Issuer is highly exposed to the Portuguese real estate market, either directly through assets related to its operations or obtained in lieu of payments, or indirectly through real estate that secures loans or the financing of real estate projects, making it vulnerable to any depression in the real estate market, as this could lead to reduced recoveries on real estate assets held as collateral in the event of customer default.

The residential real estate market in Portugal in general, or in any particular region, may from time to time suffer from a decline in economic conditions, notably increased unemployment and disruption in the mortgage lending market and in the housing markets and, consequently, the Issuer may experience higher rates of default on mortgage loans. In addition, adverse weather conditions, natural disasters, fires or widespread health crises (such as the COVID-19 pandemic), or the fear of such crises, may weaken economic conditions and lead to a decline in the value of real estate located in regions affected by such events. This may reduce the financial resources available for individuals and businesses to purchase or invest in real estate property and for individuals to service their mortgage loans, which may have a material adverse effect on the Issuer's business activities, financial condition and results of operations.

In February 2023, the Portuguese Government presented the "Mais Habitação" programme, aimed at increasing the supply of affordable housing in Portugal and at mitigating households' burdens with mortgage payments and rents. The measures related to rent support, subsidies and mortgage payments approved by the Portuguese Government entered into force on 23 March 2023 through the enactment of Decree-Law No. 20-B/2023 of 22 March 2023 with retroactive effects since 1 January 2023, which will be available until the end of 2024.

In September 2023, the Portuguese Government proposed a temporary mechanism aimed at lowering and stabilising monthly mortgage payments that were contracted under a variable rate regime or a mixed rate regime, which was approved through Decree-Law No. 91/2023, of 11 October, and will be in place until the end of 2024 (without prejudice to further extensions which may be enacted until then and for which there is precedent). The Government has also proposed a temporary reinforcement of the existing programme of subsidies to mortgage payments.

Activity in the local accommodation sector could be negatively affected by these measures and this could put further downward pressure on house prices.

As at the date of this Base Prospectus, with reference to all mortgage loans granted by the Issuer, only 5 per cent. of customers requested an interest rate subsidy and only 1 per cent. requested a fixed instalment of their respective mortgage loans under the “Mais Habitação” programme.

Economic or political developments beyond the Issuer’s control or a significant devaluation of prices in the Portuguese real estate market may increase non-performing loans and decrease the value of the BST Group’s loan portfolio. This scenario could lead to impairment losses in the assets held directly by the Issuer and lower recovery on mortgage loans in cases where mortgage loans need to be enforced and the relevant properties sold to satisfy the Issuer’s credit entitlements. The occurrence of any of these events could have a material adverse effect on the Issuer’s business activities, financial condition and results of operations.

**Because the Issuer operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its results**

Although the Issuer believes that it holds a strong position, there is substantial competition in the markets in which it operates (including, among others, banking, leasing, insurance, investment banking, specialised credit and asset management). Customer loyalty and retention can be influenced by a number of factors, including brand recognition, reputation, relative service levels, the prices and attributes of products and services, scope of distribution, credit ratings and actions taken by existing or new competitors (including non-bank or financial technology competitors). A decline in the Issuer’s competitive position could adversely impact its ability to maintain or further increase its market share, which would in turn adversely affect its results.

The principal competitors of the BST Group in the banking sector (ranking in terms of assets as at 31 December 2023) are Caixa Geral de Depósitos, S.A. (“CGD”), the Millennium BCP Group, the Novo Banco Group and the BPI Group.

Competition could also increase due to the market entry of new players with new operating models who are not burdened by potentially costly legacy operations. These new competitors may use new technologies, advanced data and analytic tools, and have a lower cost to serve, reduced regulatory burden and/or faster processes to challenge traditional banks. Technological developments have accelerated the adoption of new business models and the Issuer may not be successful in adapting to this rapid pace of change or may incur significant costs as a result. In particular, the emergence of disintermediation in the financial sector, resulting from new banking, lending and payment solutions offered by rapidly evolving incumbents and new challengers, particularly with respect to payment services and products, and the introduction of disruptive technology, may impede the Issuer’s ability to grow or retain its market share with a resulting impact on its revenues and profitability.

**The Issuer may be unable to issue certain own funds and eligible liability instruments and therefore be either unable to meet its capital requirements/MREL or be required to meet its capital requirements/MREL through more costly instruments**

The Issuer can issue Additional Tier 1 or Tier 2 instruments to meet its minimum total capital ratio requirement or other regulatory eligible instruments to meet the minimum requirement for own funds and eligible liabilities (“MREL”). However, these instruments may be viewed by investors as riskier than other debt instruments, primarily due to the risk of capital losses, missed coupon payments, conversion into capital instruments and lack of available distributable items. Investor appetite for these instruments may thus decline in the future, which could render the Issuer unable to place them in the market. In this case, the Issuer would have to issue Common Equity Tier 1 (“CET1”) capital to meet the above mentioned regulatory requirements or issue Additional Tier 1, Tier 2 or other regulatory eligible instruments that would entail an associated coupon expense which may have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects.

Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017, amending Directive 2014/59/EU on the ranking of unsecured debt instruments in the insolvency hierarchy was transposed into the Portuguese legal framework by Law No. 23/2019 of 13 March 2019, which, in addition to governing the position of unsecured debt instruments in the insolvency hierarchy and providing greater legal certainty to the issuance of non-preferred debt, also confers a preferential claim to all deposits vis-a-vis senior



debt. Additionally, under the final rules to be implemented following the European Commission's recent proposal to adjust and further strengthen the existing EU bank crisis management and deposit insurance framework, the ranking in insolvency of depositors may be further changed or enhanced.

In June 2023, the Issuer was notified by the Bank of Portugal of the Single Resolution Board's decision on the determination of the MREL requirements to be met by Santander Totta, SGPS, S.A. ("**SGPS**"), on a consolidated basis, in terms of the total risk exposure amount ("**TREA**") and the leverage ratio exposure ("**LRE**"), in the following terms:

Requirement in terms of TREA		Requirement in terms of LRE	
	2024		2024
<b>MREL Total</b>	21.17%	<b>MREL Total</b>	5.91%

One of the main objectives of the EU Banking Reforms is to implement the TLAC (as defined below) 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. Although TLAC and MREL pursue the same regulatory objective, they are constructed differently. The EU Banking Reforms integrate the TLAC standard into the existing MREL rules to ensure that both requirements are met with largely similar instruments, with the exception of the subordination requirement, which will be partially institution-specific and determined by the resolution authority. Under the EU Banking Reforms, institutions such as BST would continue to be subject to an institution-specific MREL requirement, which may be higher than the Pillar 1 TLAC/MREL Requirements for Global Systemically Important Institutions ("**G-SIIs**") contained in the EU Banking Reforms. Although the specific MREL requirements may vary depending on the characteristics of the credit entity (they apply to the resolution institution or resolution group, as entities subject to resolution following a Single Point of Entry or Multiple Point of Entry resolution strategy) and the resolution process, BRRD2 together with CRR II (as defined below) introduced a relevant change in compliance with MREL, which now includes two ratios: (i) a risk ratio (percentage of total Risk Weighted Assets ("**RWA**") of the resolution entity) and (ii) a non-risk ratio (percentage of the resolution entity's total leverage exposure), and empowers the relevant resolution authority to authorise or require (a) compliance with additional CET1, Additional Tier 1 or Tier 2 capital ratios (not foreseen in the previous MREL rules) and (b) that a certain level of senior liabilities issued by the resolution entity be subject to bail-in.

The EU Banking Reforms introduced limited adjustments to the existing MREL rules, ensuring technical consistency with the structure of any requirements for G-SIIs. Implementation of the TLAC/MREL Requirements were phased-in from 1 January 2019 (a 16 per cent. minimum TLAC requirement) to 1 January 2022 (an 18 per cent. minimum TLAC requirement). The EU Banking Reforms provide that a bank's failure to comply with its TLAC/MREL Requirements should be addressed by the relevant authorities based on their powers to address or remove impediments to resolution, the exercise of their supervisory powers and their power to impose early intervention measures, administrative penalties and other measures. If there is a shortfall in an institution's level of eligible liabilities and own funds, and its own funds are otherwise contributing to the "combined buffer requirement", those funds will be automatically used to meet the institution's MREL requirement instead. This may prevent the institution from meeting its "combined buffer requirement". Such failure, considered in addition to the TLAC/MREL Requirements, would require such institution to calculate its maximum distributable amount according to CRD IV (as defined below) ("**Maximum Distributable Amount**"), with the relevant resolution authority imposing (subject to a potential 9 months grace period) restrictions to making (i) distributions relating to CET1 capital, (ii) payments in respect of variable remuneration or discretionary pension revenues, and (iii) distributions relating to Additional Tier 1 instruments ("**Discretionary Payments**") above the Maximum Distributable Amount.

These measures have the objective of safeguarding financial stability, by strengthening the resilience of the financial sector and preventing systemic risk. As such, upon the transposition of the EU Banking Reforms, the Issuer must fully comply with its "combined buffer requirement" in addition to its TLAC/MREL Requirements. Failure to comply with these buffers implies restrictions on Discretionary Payments as well as an obligation to submit to the competent authorities a capital conservation plan within five business days of the breach.

#### **Liquidity risks resulting from the Issuer's short-term liabilities towards its customers and new liquidity requirements may affect the Issuer's profitability and lead to an increase in its financing costs**

The Issuer's primary source of funds has traditionally been its retail deposit base (savings, current and term deposits). The Issuer's other funding sources include medium and long-term bond issues and medium-term

structured products, as well as receivables originated for some securitisation transactions still in place. The Issuer has also borrowed money in the money markets. In a scenario where the Issuer is unable to access wholesale market funding for short, medium or long-term funding, its liquidity operations with the ECB become increasingly important.

Since the Issuer relies on the aforementioned sources for funding, there is no assurance that, in the event of a sudden or unexpected shortage of funds in the market in which it operates, the Issuer will be able to maintain its levels of funding without incurring higher funding costs or resorting to the liquidation of certain assets.

Basel III recommendations endorse the implementation of short and medium/long-term liquidity coverage ratios, known as Liquidity Coverage Ratio (“**LCR**”) and Net Stable Funding Ratio (“**NSFR**”). The LCR addresses the sufficiency of high quality liquidity assets to meet short-term liquidity needs in a severe stress scenario.

The LCR of BST, computed in line with the CRD IV standards, was 136.2 per cent. as at 31 December 2023. BST does not yet disclose its NSFR given that the applicable calculation rules are not fully regulated by the competent regulatory authorities. The final definition of NSFR, approved by the Basel Committee in October 2014, has already been introduced into the CRR. A management limit of 100 per cent. on an ongoing basis was defined.

The Issuer’s fulfilment of liquidity ratios may lead to the constitution of portfolios with high liquidity assets but low profitability. It may also lead to an increase in its financing costs, since the ratios favour long-term over short-term financing. These changes may have a negative impact on the Issuer’s results of operations.

### **The impact on the Issuer of the resolution measures in Portugal cannot be anticipated**

Following the Bank of Portugal’s decision on 3 August 2014 to apply a resolution measure to Banco Espírito Santo, S.A. (“**BES**”), most of its business was transferred to Novo Banco, S.A., a bridge bank specifically set up for that purpose and capitalised by the resolution fund – as created by Decree-Law No. 31- A/2012 of 10 February 2012 (the “**Portuguese Resolution Fund**”).

On 20 December 2015, the Bank of Portugal applied a resolution measure to Banif, which resulted in BST’s acquisition of a set of rights and obligations, comprised of assets, liabilities, off-balance sheet items and assets under the management of Banif. This operation involved an estimated public support of EUR 2,255 million to cover future contingencies, of which EUR 489 million were supported by the Portuguese Resolution Fund and EUR 1,766 million directly by the Portuguese State. Banif was sold to BST for EUR 150 million on 20 December 2015.

The Portuguese Resolution Fund is funded by contributions from its participating institutions (including BST) and from the Portuguese banking sector – with an initial share capital of EUR 4.9 billion. Of this amount, EUR 300 million corresponded to the Portuguese Resolution Fund’s own financial resources, EUR 3.9 billion resulted from a loan granted by the Portuguese State, and EUR 700 million from a loan granted by credit institutions that are members of the Portuguese Resolution Fund, including the Issuer. As at 31 December 2023, BST had financed EUR 233.8 million of this syndicated loan, which corresponds to 19.9 per cent. thereof. As at 31 December 2023, the cash contributions to the resolution funds and deposit guarantee schemes amounted to EUR 23.9 million, compared to the cost of EUR 41.7 million recorded as at 31 December 2022. The Issuer’s pro rata share in the Portuguese Resolution Fund will vary from time to time according to the Issuer’s liabilities and own funds, when compared to the other institutions participating in the Portuguese Resolution Fund. Contributions to the Portuguese Resolution Fund are adjusted to reflect the risk profile, systemic relevance and solvency position of each participating institution. This number varies over time and it is thus difficult to determine the Issuer’s exact participation at any given point in time.

The periodic contributions to the Portuguese Resolution Fund are determined by the application of a contributory rate to the end of month outstanding balance of liabilities, deducted by own funds and deposits already included in the deposit guarantee scheme. Pursuant to Bank of Portugal’s Instruction (*Instrução*) 28/2023 for 2024, the rate has been set at 0.032 per cent.

The final impact on BST of the resolution measures applied to BES and/or Banif, or of any other resolution measure applied, cannot be anticipated.

### **Operational risks, such as systems disruptions or failures, security breaches, cyber-attacks, human error, changes in operational practices, and inadequate controls, including in respect of third parties with which the Issuer does business, may adversely impact its reputation, business and results**

The Issuer faces the risk of the design and operating effectiveness of its controls and procedures being inadequate. Operational risks are inherent to the Issuer’s business because its consolidated operations are

highly dependent on computerised record-keeping, financial reporting and other systems, including point of sale monitoring and internal accounting systems, particularly following the centralisation of the Issuer's information technology systems. Increased digital interconnectivity across the BST Group, its customers and suppliers, and the need for resilient IT systems, including hardware, software, cloud computing services and cyber-security, remains an evolving risk to financial institutions, including the Issuer. Consequently, the Issuer continually monitors these risks using advanced administrative and information systems and has insurance coverage for certain operational risks.

The Issuer routinely transmits, receives and stores personal, confidential and proprietary information by email and other electronic means. Although the Issuer safeguards its systems and processes, losses may result from under-trained or under-skilled personnel, IT failures, illegitimate access, cyber-attacks, inadequate or failed internal control processes and systems, regulatory or security breaches, human error, employee misconduct including fraud, natural disasters or other external events that interrupt normal business operations. Such losses may adversely affect its reputation, business and results.

The Issuer is subject to increasing regulatory requirements, including those foreseen in Regulation (EU) No. 2016/679 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 the free movement of such data, repealing Directive 95/46/EC, as amended (the General Data Protection Regulation ("**GDPR**")), which entered into force on 25 May 2018. The implementation and compliance with this regulation (and any additional national legislation passed in the context of the GDPR, including Law No. 58/2019, of 8 August) is complex and entails significant costs and time, given that the GDPR has introduced substantial changes to data protection standards.

The Issuer's reputation is one of its most important assets and contributes to its ability to attract and retain customers and conduct business with its counterparties. Reputational risk is the probability of negative impacts on the Issuer due to an unfavourable public image of the Issuer among its customers, suppliers, analysts, employees, investors, the media, any other bodies with which the Issuer interacts, and the public in general.

Reputational issues may arise from the breach (or perceived breach) of legal and regulatory requirements, potential conflicts of interest, operational failures, unethical behaviour and lack of commitment to environmental, social and governance considerations.

Although the Issuer continually monitors this risk, it cannot assure potential investors that it will be able to foresee the occurrence of reputational issues and avoid its negative consequences. Any failure to address reputational risks or any other relevant issues appropriately could make customers, depositors and investors unwilling to do business with the Issuer, which could adversely affect its business, financial condition and results of operations and could damage its relationships with its regulators.

**The Issuer is exposed to the risk of its customers being unable to meet their commitments as and when they fall due**

Risks arising from adverse changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in the Issuer's businesses (see the risk factor entitled "*The inability of counterparties to meet their financial obligations or the Issuer's inability to fully enforce its rights against counterparties could have a material adverse effect on the Issuer's results*"). The Issuer is particularly exposed to the risk of its customers being unable to meet their commitments as and when they fall due. If the value of the collateral securing the Issuer's loan portfolio declines, the Issuer will be exposed to a higher credit risk and increased risk of non-performing loans. The Issuer cannot guarantee adequate proceeds from collateral disposals to cover any loan losses.

As at 31 December 2023, the non-performing exposure ratio (as per the European Banking Authority ("**EBA**") definition) represented 1.7 per cent. of the total credit portfolio (compared to 2.0 per cent. as at 31 December 2022) and the non-performing exposure coverage ratio stood at 89.2 per cent. (compared to 87.0 per cent. as at 31 December 2022).

The Issuer cannot guarantee an adequate level of provisions and other reserves and that it will not have to take additional provisions for possible impairment losses in the future.

***Risks relating to the financial markets***

**The inability of counterparties to meet their financial obligations or the Issuer's inability to fully enforce its rights against counterparties could have a material adverse effect on the Issuer's results**

The Issuer's business operations involve entering into contractual arrangements with customers, suppliers, financing partners, reinsurers, trading counterparties, securities lending and repurchase counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries, which expose the Issuer to counterparty risks.

Counterparties' failure to comply with their obligations towards the Issuer due to bankruptcy, lack of liquidity, economic downturns, inflation rates, low oil or other commodity prices, operational failure or other factors, or even rumours of potential default, could have a material adverse effect on the Issuer's results, financial condition and liquidity.

The Issuer executes a high volume of transactions with customers and counterparties in the financial services industry, including brokers and dealers, commercial and investment banks, mutual and hedge funds, insurance companies, institutional clients, futures clearing merchants, swap dealers, among others, resulting in large periodic settlement amounts and potential credit exposure to one or more such counterparties or customers. As such, the Issuer could face concentration risk with respect to liabilities or amounts it expects to collect from specific counterparties and customers.

The Issuer is also subject to the risk of its rights against third parties not being enforceable in all circumstances. Deterioration in the credit quality of third parties with securities or obligations held by the Issuer could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in its counterparties' credit ratings could also have a negative impact on the Issuer's income and risk weighting, leading to increased capital requirements. The termination of contracts and the foreclosure on collateral could subject the Issuer to claims, keeping in mind that bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity. Any of these developments or losses could materially and adversely affect the Issuer's business and results.

### **Volatility in interest rates or monetary policy could adversely affect the Issuer's business**

Interest rates are sensitive to many factors beyond the Issuer's control, including monetary policies implemented by the ECB, as well as domestic and international economic and political conditions. Central banks' interest rate cuts could also lead to a further compression of interest spreads. Overall, significant drops in interest rates can be expected to have an adverse effect on the Issuer's net interest income and continued low interest rates will make it more difficult to achieve growth. On the other hand, higher interest rates could lead to certain borrowers becoming unable to service their debts, resulting in a higher proportion of non-performing loans.

Inflationary pressures had significantly increased since 2021 and especially in 2022 and 2023 as a result of the Russia-Ukraine conflict. In this context, several central banks, including the ECB, signalled the need to accelerate the removal of monetary policy stimuli. In addition to the high volatility seen in the interest rate markets and in financial markets globally, with a general rise in risk premia, the prospect of a sharp increase in interest rates has generated fears of deceleration or even contraction in global economic activity.

A rise in interest rates could reduce customer demand for credit, which could in turn reduce the Issuer's ability to originate credit for its customers, as well as contribute to an increase in the default rate of its customers.

After almost 7 years of negative EURIBOR rates, on 21 July 2022, the ECB decided to raise euro area interest rates by 50 basis points, i.e. 0.5 per cent., in an effort to curb the record inflation prevailing in the eurozone. However, EURIBOR rates were already in positive territory before the ECB's decision. The 12-month rate turned positive in April 2022, with the 6-month and 3-month rates reaching that threshold in June and mid-July, respectively. Throughout 2022 and 2023, the ECB has consistently raised the euro area interest rates. However, on 7 March 2024, the ECB decided to keep the euro area interest rates unchanged.

If the Issuer is unable, for any reason, to re-price or adjust the rates on its interest earning assets, in response to changes in rates on its interest bearing liabilities, in an expedited or effective manner, as a result of economic or other reasons, the Issuer's interest income margins would be adversely affected, which may in turn negatively affect its business and financial performance.

### **Legal and Regulatory risks**

#### **The Issuer is subject to the European recovery and resolution framework, which dictates the procedures and measures available for any resolution of the Issuer, including the bail-in tool**

In May 2014, the EU Council and the EU Parliament approved a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU of the European Parliament and of the Council, of 15 May 2014, establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended, the "**BRRD**"). The BRRD aims to equip national authorities with harmonised tools and powers to promptly tackle crises in banks and investment firms and to minimise costs for taxpayers. These tools and powers include:

- (a) preparatory and preventive measures (including the requirement for banks to have recovery and resolution plans);

- (b) early supervisory intervention (including powers for authorities to take early action to address emerging problems); and
- (c) resolution tools, including bail-in, which are intended to ensure the continuity of essential services and manage the failure of a credit institution in an orderly way; these tools may be used when the authorities consider an institution's failure has become highly likely and a threat is posed to public interest.

The BRRD was implemented in Portugal by a number of legislative acts, including Law No. 23-A/2015, of 26 March, as amended, which have amended the Portuguese Legal Framework of Credit Institutions and Financial Companies (hereinafter, “**RGICSF**”) (enacted by Decree-Law No. 298/92, of 31 December, as amended), including the requirements for the application of preventive measures, supervisory intervention and resolution tools to credit institutions and investment firms in Portugal.

The implementation of resolution measures must pursue any of the following objectives:

- Ensure the continuity of essential financial services;
- Prevent serious consequences to financial stability;
- Safeguard public treasury and taxpayers' interests by minimising the use of public funds;
- Safeguard depositors and investors' confidence; or
- Protect the funds and assets held for and on behalf of clients and related investment services.

For the purposes of applying resolution measures, an institution is considered to be failing or likely to fail when, in the near future:

- The institution is, or is likely to be, in breach of its requirements for maintaining its licence;
- The institution's assets have or are likely to become lower than its liabilities;
- The institution is, or is likely to be, unable to pay its debt as it falls due; or
- Extraordinary public financial support is required.

Upon the entry into force, on 1 January 2016, of Regulation (EU) No. 806/2014, of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, amending Regulation (EU) No. 1093/2010 (“**SRM Regulation**”), as amended from time to time, the Bank of Portugal's powers as resolution authority in relation to certain credit institutions, including the Issuer, were transferred to the resolution authority within the Banking Union established by the SRM Regulation - the “**Single Resolution Board**”.

The resolution measures that can be implemented by the resolution authority, either individually or in conjunction, are, notably:

- (i) Sale of business tool: transfer to a purchaser, by decision of the resolution authority, of shares or other ownership instruments or of some or all rights and obligations, corresponding to assets, liabilities, off-balance sheet items and assets under management, of the institution under resolution, without the consent of its shareholders or of any third party other than the acquirer;
- (ii) Bridge institution tool: establishment of a bridge institution by the resolution authority, to which shares or other ownership instruments or some or all rights and obligations, corresponding to assets, liabilities, off-balance sheet items and assets under management, of the institution under resolution are transferred without the consent of its shareholders or of any third party;
- (iii) Asset separation tool (to be used only in conjunction with another resolution measure): transfer, by decision of the resolution authority, of rights and obligations, corresponding to assets, liabilities, off-balance sheet items and assets under management, of an institution under resolution or of a bridge institution to one or more asset management vehicles, without the consent of the shareholders of the institutions under resolution or of any third party other than the bridge institution. Asset management vehicles are legal persons fully or partially owned by the relevant resolution fund;
- (iv) Bail-in tool: write-down or conversion by the resolution authority of certain obligations of an institution under resolution, as defined under the applicable law (other than, for instance, covered deposits and secured obligations, such as covered bonds). In exceptional

circumstances, when the bail-in tool is implemented, the resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers. This exception shall apply when strictly necessary and proportionate and shall fall under the specific requirements provided by law.

Resolution measures may be applied to institutions if the resolution authority considers that an institution and/or certain other members of the institution's group meet the following conditions ("**Resolution Conditions**"): (a) they are failing or likely to fail, (b) there is no reasonable prospect that such failure will be avoided within a reasonable timeframe by the adoption of measures by the institution and/or certain other members of its group, the application of early intervention measures or of a Non-Viability Loss Absorption Measure (as defined below), (c) a resolution action pursues any of the public interests listed above and (d) such public interests would not be pursued more effectively by the commencement of winding-up proceedings against the relevant institution.

When applying any resolution measure, the resolution authority shall ensure that an institution's first losses are borne by its shareholders, followed by its creditors (except depositors covered by a deposit guarantee scheme), in an equitable manner and in accordance with the order of priority of the various classes of creditors under normal insolvency proceedings. Resolution measures are not subject to the prior consent of an institution's shareholders or of the contractual parties related to assets, liabilities, off-balance sheet items and assets under management to be sold or transferred. These actions may have a direct impact on shareholders and on the BST Group's expected returns and an indirect impact through changes to the institution's business activities.

If an order were to be made under the RGICSF currently in force in respect of an entity (including the Issuer), such action may affect the entity's ability to satisfy its existing contractual obligations (including limiting its capacity to meet repayment obligations). The use of resolution tools could result in the cancellation, modification or conversion of any unsecured portion of the liability in respect of the Notes and/or in other modifications to the Terms and Conditions of the Notes and/or the Programme Documents.

The bail-in resolution tool may be used alone or in combination with other resolution tools, where the resolution authority considers that an institution meets the Resolution Conditions. This empowers the resolution authority to write down certain claims of unsecured creditors of a failing institution and/or to convert certain unsecured debt claims into equity, potentially subject to any future application of the general bail-in tool.

Although there are pre-conditions for the exercise of the bail-in power, there remains uncertainty regarding the specific factors which the relevant resolution authority may consider in deciding whether or not to exercise the bail-in power with respect to the relevant financial institution and/or securities issued by that institution.

In addition to the resolution tools described above, the RGICSF further empowers the resolution authorities to permanently write-down or convert relevant capital instruments into equity (CET1 instruments) capital instruments such as Tier 2 instruments and Additional Tier 1 capital instruments at the point of non-viability of an institution or such institution's group and before any other resolution action has been taken (the "**Non-Viability Loss Absorption Measure**"). Under the RGICSF, the point of non-viability is when any of the following conditions are met:

- the resolution authority determines that an institution or its group meets any of the Resolution Conditions and no resolution measure has been applied yet;
- the resolution authority determines that an institution or its group will no longer be viable unless the relevant capital instruments are written-down or converted; or
- extraordinary public support is required and without such support the institution would no longer be viable.

The write-down and conversion tools may be exercised independently of, or in combination with, the resolution tool. The implementation of write-down or conversion tools in relation to any of the BST Group's entities could have a material adverse impact on the Issuer's business, financial condition and results of operations. Furthermore, where capital instruments are converted into equity securities under the mandatory conversion tool, those equity securities may be subject to bail-in powers in resolution, resulting in their cancellation, significant dilution or transfer away from their investors.

The exercise of any resolution powers under the RGICSF and/or any write-down or conversion into equity could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes. Prospective investors in the Notes should consider the risk of losing their full investment, including principal and any accrued interest, if resolution measures are applied.

**The Issuer is subject to complex regulation, including regulatory capital and liquidity requirements, which may change**

The Issuer operates in a highly regulated industry and, accordingly, could be adversely affected by regulatory changes in Portugal, the EU or foreign countries in which it operates. Although the Issuer works closely with its regulators and continually monitors this situation, future changes in regulation, taxation or other policies can be unpredictable and are beyond its control. Extensive regulation by the ECB, the EBA and the Bank of Portugal could hinder the Issuer's growth by increasing compliance costs and/or reducing profitability.

The implementation in the EU of Basel III has led to the approval of the package comprised of Directive 2013/36/EU (as amended, the "**CRD IV**"), implemented in Portugal by Decree-Law No. 157/2014 of 24 October, and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No. 648/2012 (as amended, the "**CRR**", and, together with the CRD IV, "**CRD IV/CRR**"). The CRD IV/CRR reinforced the capital requirements of banks, imposing different minimum capital ratios (e.g. CET1 ratio, Tier 1 ratio and total ratio), and changed the definition of regulatory capital. The CRD IV includes general rules, supervision powers and requirements relating to wages, governance and disclosure, having also introduced the following additional capital buffers, to be met with CET1:

- (a) capital conservation buffer of 2.5 per cent. of RWA;
- (b) countercyclical capital buffer rate of between 0 and 2.5 per cent. of RWA, pursuant to the conditions to be established by the competent authorities; and
- (c) systemic risk buffer: (i) applicable to institutions of global systemic importance between 1 and 3.5 per cent. of RWA; (ii) applicable to other institutions of systemic importance between 0 and 2 per cent. of RWA; and (iii) macroprudential systemic risk between 1 and 3 per cent. or between 3 and 5 per cent. of RWA, depending on the economic situation.

While the final Basel III standards were set to be implemented starting from January 2022 with the output capital floor being phased in, in light of the COVID-19 pandemic, their implementation was deferred by one year to increase the operational capacity of banks and supervisors to respond to the COVID-19 pandemic. These reforms started from 1 January 2023 and will be phased in over five years.

The Issuer had a CET1 ratio of 16.1 per cent. as at 31 December 2023 and a Tier 1 ratio of 18.7 per cent. as at 31 December 2023, which compares with a CET1 ratio of 15.8 per cent. as at 31 December 2022 and a Tier 1 ratio of 18.3 per cent. as at 31 December 2022. For more information regarding the solvency ratios, please see the section "*Description of BST – Solvency Ratios*".

In the exercise of its powers as national macro-prudential authority, the Bank of Portugal decided to set the countercyclical buffer rate at 0 per cent. of the TREA, with effect from 1 January 2016. This buffer applies to all credit exposures to the domestic private non-financial sector of credit institutions and investments firms in Portugal subject to the supervision of the Bank of Portugal or the ECB (Single Supervisory Mechanism), as applicable. The Bank of Portugal's last review of the countercyclical buffer was on 27 March 2024, having confirmed the 0 per cent. rate of the TREA for the second quarter of 2024. This decision is reviewed on a quarterly basis.

Further to a notification of the ECB, the Bank of Portugal imposed capital buffers on credit institutions identified as systemically important institutions ("**O-SIIs**"). For that purpose, on 30 November 2017, the Bank of Portugal published a table identifying the banking groups classified as O-SIIs and the respective capital buffers, as a percentage of total RWA. Simultaneously, the Bank of Portugal also published a more detailed document on the methodology for the identification and calibration of the O-SIIs buffer.

SGPS is currently in compliance with the Supervisory Review and Evaluation Process ("**SREP**"). According to the notification served by the ECB regarding minimum prudential requirements, to be fulfilled in 2024 on a consolidated basis, the minimum own funds requirements to be observed from the referred date, calculated as a ratio of total RWA, are as follows:

	2024	Pillar 1	Pillar 2	Buffers
<b>CET1</b>	8.428%	4.500%	0.928%	3.00%
<b>T1</b>	10.238%	6.000%	1.238%	3.00%
<b>Total</b>	12.650%	8.000%	1.650%	3.00%

The buffers include the capital conservation buffer (2.5 per cent.) and the O-SII buffer (0.5 per cent.). The Pillar 2 requirement, in 2024, defined under SREP, is 1.65 per cent.

The CRD IV and CRR were further strengthened by Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20 May 2019, amending the CRR as regards the leverage ratio, the NSFR, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements (as amended, “**CRR II**”), and by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019, amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers, and capital conservation measures (as amended, “**CRD V**”). The CRR II and CRD V introduced a new market risk framework, revisions to the large exposures regime and NSFR. The NSFR is intended to ensure that institutions are not overly reliant on short-term funding. The CRR II’s application was staggered, in accordance with Article 3 of the CRR II, from 27 June 2019 to 28 June 2023. The CRD V amends the CRD IV and was transposed into Portuguese law on 9 December 2022 by Law No. 23-A/2022.

Recent developments in the banking market suggest that even stricter rules may be applied by a new framework (“**Basel IV**”), which would require more stringent capital requirements and greater financial disclosure. Basel IV is likely to introduce higher leverage ratios, more detailed disclosure of reserves and the use of standardised models, rather than banks’ internal models, for the calculation of capital requirements and is expected to be implemented in the EU on 1 January 2025, in accordance with the latest decision of the European Commission in October 2021. Following the publication of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD (“**BRRD2**”), credit institutions have also been subject to more burdensome capital and other legal requirements, as these become applicable. On 9 December 2022, Law No. 23-A/2022, of 9 December, transposing the BRRD2 was promulgated and entered into force. Certain of the BRRD2’s requirements relate to the implementation of the total loss absorbing capacity (“**TLAC**”) standard, applicable from January 2022. The TLAC standard requires global systemically important banks to hold certain ratios of instruments and liabilities (as a percentage of their respective RWA), which should be available during resolution to absorb losses.

Implementation of the TLAC/MREL Requirements was phased-in from 1 January 2019 (a 16 per cent. minimum TLAC requirement) to 1 January 2022 (a 18 per cent. minimum TLAC requirement). In addition to the above, on 26 January 2021, the European Commission launched a targeted public consultation on technical aspects of 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 (as amended). This public consultation was open until 20 April 2021 and split into two main sections: a section covering the general objectives of the review, and a section seeking technical feedback on stakeholders’ experience with the COVID-19 crisis and framework and the need for changes in the future framework, notably regarding (i) resolution, liquidation and other available measures to handle banking crises, (ii) level of harmonisation of creditor hierarchy in the EU and impact on the ‘no creditor worse off’ principle, and (iii) depositor insurance. Further work will be needed and legislative proposals on this topic are still expected.

Consequently, the Issuer could face more intense and complex regulation, increasing its compliance costs. If the Issuer is required to raise its regulatory capital but is unable to do so on acceptable terms, it may have to reduce its RWA and possibly dispose of core or other non-core businesses on unfavourable terms, including at lower prices. Changes to the manner in which regulatory capital is calculated could adversely affect the Issuer’s current capital ratios.

In this context, a new regime that establishes the rules for banking activity (the “**Banking Activity Code**”) (*Código de Atividade Bancária*), which aims to replace the RGICSF has been subject to public consultation. The proposed Banking Activity Code introduces changes and/or updates on matters of, among others, internal governance, conflicts of interest and related parties, non-cooperative offshore tax jurisdictions, duties of information and administrative procedures and supervisor enforcement. As of the date of this Base Prospectus, no further legislative procedures have been developed.

The Issuer’s continued implementation of these measures may also have a significant impact on its capital and on its assets and liabilities management, as new regulations may restrict or limit the type or volume of transactions in which the Issuer participates, or introduce changes to the fees and commissions charged by the Issuer on certain loans or other products. Any of these events may have a material adverse effect on the Issuer’s business, financial condition and on the results of its operations.



## **The EU has adopted a deposit guarantee scheme directive that may result in additional costs to the BST Group**

On 2 July 2014, Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 providing for the establishment of deposit guarantee schemes (the “**recast DGSD**”) and introducing harmonised funding requirements (including risk-based levies), protection for certain types of temporary high balances, a reduction in pay-out deadlines, harmonisation of eligibility categories (including an extension of scope to cover deposits by most companies regardless of size) and new disclosure requirements throughout the EU, entered into force. The recast DGSD was transposed into Portuguese law through Law No.23-A/2015, of 26 March 2015, as amended by Law No. 66/2015, of 6 July 2015.

Regulation (EU) No. 806/2014, as amended, establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund.

As a result of these developments, the BST Group may incur additional costs and liabilities. The indirect costs of the deposit guarantee systems may also be significant, even if they are much lower than the direct contributions to the fund, such as in the case of the costs associated with the provision of detailed information to clients about products, as well as compliance with specific regulations on advertising for deposits or other products similar to deposits.

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

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

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

**If, in relation to any particular issue of Notes, the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return**

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to 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.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### **Risks relating to Floating Rate Notes**

Floating Rate Notes (as defined in Terms and Conditions of the Notes) bear a variable interest income. A holder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes in advance. Interest on Floating Rate Notes may be payable plus or minus a margin.

**The interest rate on Reset Notes (as defined in Terms and Conditions of the Notes) will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of Reset Notes.**

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

**If, in relation to any particular issue of Notes, the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned**

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating

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

#### **Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes**

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. 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.

#### **Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates**

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

#### **Senior Non-Preferred Notes will rank junior to the Issuer's unsubordinated creditors**

The Senior Non-Preferred Notes will constitute direct, unconditional and unsecured obligations of the Issuer and the rights of the holders of any Senior Non-Preferred Notes will rank junior in priority of payment to the claims of all unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations (including, for the avoidance of doubt, claims arising from excluded liabilities within the meaning of Article 72a(2) of the CRR). Accordingly, no payments of amounts due under the Senior Non-Preferred Notes will be made to the Noteholders in the event of insolvency or winding-up of the Issuer (to the extent permitted by Portuguese law) except where all sums due from the Issuer in respect of the claims of all unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations are paid in full, as more fully described in Condition 2(b). See "*The Issuer is subject to the European recovery and resolution framework, which dictates the procedures and measures available for any resolution of the Issuer, including the bail-in tool*" above.

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which benefit from a preferential ranking, there is a significant risk that an investor in Senior Non-Preferred Notes will lose all or some of its investment in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer.

#### **The obligations of the Issuer under Subordinated Notes are subordinated**

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and the rights of the holders of any Subordinated Notes will rank junior in priority of payment to the claims of all Senior Creditors (as defined in the Terms and Conditions) of the Issuer. Accordingly, no payments of amounts due under the Subordinated Notes will be made to the Noteholders in the event of insolvency or winding-up of the Issuer (to the extent permitted by Portuguese law) except where all sums due from the Issuer in respect of the claims of all Senior Creditors of that Issuer are paid in full, as more fully described in Condition 2(c). See "*The Issuer is subject to the European recovery and resolution framework, which dictates the procedures and measures available for any resolution of the Issuer, including the bail-in tool*" above.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in Subordinated Notes will lose all or some of its investment in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer.

#### **Events of Default in relation to Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes**

The only Event of Default in relation to Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes is set out in Condition 9(b). The sole remedy against the Issuer available to any Noteholder for recovery of amounts owing in respect of any payment of principal or interest in respect of any

Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes will be the institution of proceedings for the winding-up of the Issuer and/or proving in any winding-up of the Issuer. As such, the remedies available to holders of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes are more limited than those typically available to holders of senior-ranking securities, including Senior Preferred Notes which are not Senior Preferred MREL Eligible Notes, which may make enforcement more difficult.

#### **No right of set-off or counterclaim**

As provided in the Terms and Conditions of the Notes, in respect of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes only, no Noteholder, who shall in the event of the liquidation or bankruptcy of an Issuer be indebted to the Issuer, may at any time exercise or claim any right of set-off or netting in respect of any amount owed by it to the Issuer arising out of or in connection with such Notes and Noteholders shall be deemed to have waived all Set-Off Rights (as defined in the Terms and Conditions) to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

#### **Limitation on gross-up obligation under the Senior Preferred MREL Eligible Notes, the Senior Non-Preferred Notes and the Subordinated Notes**

The Issuer's obligation under Condition 7 to pay additional amounts in the event of any withholding or deduction in respect of Portuguese taxes on any payments under the terms of the Senior Preferred MREL Eligible Notes, the Senior Non-Preferred Notes and the Subordinated Notes applies only to payments of interest and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Senior Preferred MREL Eligible Notes, the Senior Non-Preferred Notes and the Subordinated Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Senior Preferred MREL Eligible Notes, the Senior Non-Preferred Notes and the Subordinated Notes, Noteholders may receive less than the full amount of principal due under the Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes upon redemption, and the market value of the Senior Preferred MREL Eligible Notes, the Senior Non-Preferred Notes and the Subordinated Notes may be adversely affected.

#### **Because the Notes are held through accounts of affiliate members of Interbolsa, investors will have to rely on various procedures applied by Interbolsa**

##### **(a) *Form and Transfer of the Notes***

Notes held through accounts of Affiliate Members of Interbolsa will be represented in dematerialised book entry form (*forma escritural*) and will be *nominativas* and therefore Interbolsa, at the request of the Issuer, can ask the Affiliate Members of Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer. The Notes shall not be issued in documentary (materialised) form (*forma titulada*), whether definitive or global. The Notes will be registered in the issue account opened by the Issuer with Interbolsa and will be held in control accounts by the Affiliate Members of Interbolsa on behalf of the relevant Noteholders. Such control accounts will reflect at all times the aggregate number of Notes held in the individual securities accounts opened by the clients of the Affiliate Members of Interbolsa which include Euroclear and CBL. The transfer of Notes and their beneficial interests will be made through Interbolsa.

##### **(b) *Payment Procedures of the Notes***

In respect of the Notes, payment of principal and interest: (i) in euros will be: (a) credited, according to the procedures and regulations of Interbolsa, by the Portuguese paying agent (the "*Portuguese Paying Agent*") acting on behalf of the Issuer from the payment current account which the Portuguese Paying Agent has indicated to, and has been accepted by, Interbolsa to be used on the Portuguese Paying Agent's behalf for payments in respect of securities held through Interbolsa to the payment current accounts held according to the applicable procedures and regulations of Interbolsa by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter; (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be; and (ii) in currencies other than euros in respect of the Notes will be: (a) transferred, on the payment date and according to the procedures and regulations applicable by Interbolsa, from the account held by the Portuguese Paying Agent in the Foreign Currency Settlement System (*Sistema de Liquidação em Moeda Estrangeira*), managed by CGD, to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter; (b) transferred by such Affiliate Members of Interbolsa from such relevant accounts to the

accounts of the owners of those Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be.

The Noteholders must rely on the procedures of Interbolsa to receive payment under the Notes. The Issuer will have no responsibility or liability for the records relating to payments made in respect of beneficial interests in the Notes.

(c) *Notice to the Noteholders*

Notices to the Noteholders shall comply with the Portuguese law requirements that may be applicable, namely pursuant to the Portuguese Securities Code and CMVM Regulation 1/2023, and by any other way which complies with Portuguese Securities Code and Interbolsa's rules on notices to investors, notably the disclosure of information through the CMVM official website ([www.cmvm.pt](http://www.cmvm.pt)).

**Meetings of holders of the Notes are governed by the Portuguese Companies Code (“Código das Sociedades Comerciais”)**

Meetings may be convened by the common representative (if any) or, if (i) no common representative has been appointed or (ii) if appointed, the relevant common representative has failed to convene a meeting, by the chairman of the general meeting of shareholders of the Issuer, and shall be convened if requested by Noteholders holding not less than 5 per cent. in principal amount of the Notes for the time being outstanding. The quorum required for a meeting convened to pass a resolution other than an extraordinary resolution will be any person or persons holding or representing Notes then outstanding, regardless of the principal amount thereof; and the quorum required for a meeting convened to pass an extraordinary resolution will be a person or persons holding or representing at least 50 per cent. of the Notes then outstanding or, at any adjourned meeting, any person or persons holding or representing any of the Notes then outstanding, regardless of the principal amount thereof.

The number of votes required to pass a resolution other than an extraordinary resolution is a majority of the votes cast at the relevant meeting; the majority required to pass an extraordinary resolution, including, without limitation, a resolution relating to the modification or abrogation of certain of the provisions of the Terms and Conditions, is at least 50 per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at the relevant meeting and, in respect of a resolution regarding an increase in the obligations of the Noteholders, by all Noteholders. Resolutions passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally.

**The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors**

The Terms and Conditions of the Notes contain or refer to provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

**The Notes are unsecured and therefore subject to the resolution regime**

The Notes are unsecured and therefore subject to the resolution regime, including the bail-in tool (see further “*The Issuer is subject to the European recovery and resolution framework, which dictates the procedures and measures available for any resolution of the Issuer, including the bail-in tool*” above). The impact on investors, in a resolution scenario, depends crucially on the rank of the liability in the resolution creditor hierarchy. In the event of resolution, *inter alia*: (i) the outstanding amount of the Notes may be reduced to zero or the Notes may be converted into ordinary shares of the Issuer or other instruments of ownership; (ii) a transfer of assets (e.g. to a bridge bank) or a sale of business may limit the capacity of the Issuer to meet its repayment obligations; and (iii) the maturity of any Notes or the interest rate under such Notes can be altered and the payments may be suspended for a certain period. When a resolution measure is applied, no shareholder or creditor of the institution (including the Noteholders) subject to resolution may have losses greater than it would have if the institution had entered into liquidation. Noteholders may have a right to compensation if the treatment they receive in resolution is less favourable than the treatment they would have received under normal liquidation proceedings (‘no creditor worse off’). This assessment must be based on an independent valuation of the firm. Completion of this assessment, as well as payment of any potential consideration, may be delayed and occur considerably later than contractual payment dates.

The taking of any such actions could adversely affect the rights of Noteholders, including the write-down or conversion (in whole or in part) of their Notes. Any such actions or the perceived likelihood of any such actions being taken may adversely impact the price or value of their investment in the Notes.

**Subordinated Notes may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Issuer**

The BRRD contemplates that Subordinated Notes may be subject to non-viability loss absorption, in addition to the application of the general bail-in tool and other resolution tools.

The powers provided to resolution authorities in the BRRD include write down/conversion powers to ensure that capital instruments (including Subordinated Notes) absorb losses at the point of non-viability of the issuing institution or its group. Accordingly, the BRRD contemplates that resolution authorities may require the write down of such capital instruments in full or on a permanent basis, or their conversion in full into CET1 instruments, to the extent required and up to their capacity, at the point of non-viability immediately before, or concurrently with, the application of any other resolution action, if any.

The BRRD provides, *inter alia*, that resolution authorities shall exercise the write down power of reducing or converting, according to an order of priority of credits in normal insolvency procedures, in a way that results in:

- (i) CET1 instruments being written down or converted in proportion to the relevant losses; and then
- (ii) the principal amount of other capital instruments (Tier 1 and Tier 2 instruments) being written down and/or converted into CET1.

The taking of any such actions could adversely affect the rights of Noteholders, including the write-down or conversion (in whole or in part) of their Notes. Any such actions or the perceived likelihood of any such actions being taken may adversely impact the price or value of their investment in the Notes.

See the risk factor entitled “*The Issuer is subject to the European recovery and resolution framework, which dictates the procedures and measures available for any resolution of the Issuer, including the bail-in tool*” above.

**Income derived from Notes issued under the Programme is currently subject to Portuguese withholding tax and there will be no gross-up for amounts withheld on such Notes**

Subject as provided below, income derived from Notes issued under the Programme is currently subject to Portuguese withholding tax and there will be no gross-up for amounts withheld on such Notes.

Pursuant to Decree-Law 193/2005, of 7 November 2005, as amended from time to time (the “*Decree-Law*”), investment income classified as obtained in Portuguese territory paid to Noteholders that are non-residents in the Republic of Portugal (with some exceptions – see “*Portuguese Taxation*”), as well as capital gains derived from a sale or other disposition of such Notes, will be exempt from Portuguese income tax.

If the Notes are integrated in a centralised system for securities managed by a resident entity or an international clearing system managing entity established in other EU Member State (Euroclear and CBL) or in an EEA Member State (provided it is bound by an administrative cooperation in tax matters similar to the one established within the EU) and held in an account with an international clearing system (either with Euroclear or CBL), the management entity of such international clearing system shall transmit to the direct register entity or to its representative regarding all accounts under its management, the name and address and tax identification number (as long as they possess one), the identification and quantity of the securities held and the amount of income of each beneficiary.

Such procedures may be revised from time to time in accordance with Portuguese law and regulations, further clarification from the Portuguese tax authorities regarding such laws and regulations and the operational procedures of the clearing systems.

Failure to comply with these procedures and certifications will result in the application of Portuguese withholding tax at a rate of 28 or 25, per cent. as the case may be, both in case of individuals and corporate entities, both non-resident in the Portuguese territory, at the date of this Base Prospectus, or if applicable, at reduced withholding tax rates pursuant to tax treaties signed by Portugal, provided that the procedures and certification requirements established by the relevant tax treaty are complied with (see “*Taxation*”).

The Issuer will not gross up payments in respect of any such withholding tax in any of the cases indicated in Condition 7 of the Notes including failure to deliver the certificate or declaration referred to above. Accordingly, Noteholders must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of the Notes. None of the Issuer, the Arranger, the Dealers, the paying agents or the clearing systems assume any responsibility therefor.

**The value of the Notes could be adversely affected by a change in Portuguese law or administrative practice**

The Terms and Conditions of the Notes are based on Portuguese law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Portuguese law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

**The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Notes or Reset Notes linked to or referencing such “benchmarks”**

Interest rates and indices which are deemed to be “benchmarks” (including EURIBOR) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as BST) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “*UK Benchmarks Regulation*”) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

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

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.

The euro risk free-rate working group for the euro area published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

Such factors may have (without limitation) the following effects on certain benchmarks (including EURIBOR): (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors in Floating Rate Notes or Reset Notes which reference a benchmark should be mindful of the applicable interest rate fall-back provisions applicable to such Notes and the adverse effect this may have on the value or liquidity of, and return on, any Floating Rate Notes or Reset Notes which are linked to or referencing a benchmark.

In addition, any changes to the administration of a benchmark or screen rate or the emergence of alternatives to such benchmark or screen rate as a result of these potential reforms, may cause the benchmark or screen rate to perform differently from in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a benchmark or screen rate or changes to its administration could require changes to the way in which the Rate of Interest is calculated on Notes referencing such benchmark or screen rate (as applicable). Uncertainty as to the nature of alternative reference rates and as to potential changes to the benchmarks or screen rates referenced by the Notes may adversely affect the return on the Notes and the trading market for securities referencing such benchmark or screen rate. The development of alternatives to benchmarks or screen rates may result in Notes referencing such benchmarks

or screen rates performing differently than would otherwise have been the case if such alternatives had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing a benchmark or screen rate.

The Terms and Conditions also provide for certain fall-back arrangements in the event that a Benchmark Event occurs in relation to Floating Rate Notes or Reset Notes. Either (i) the Issuer will appoint an Independent Adviser to determine a Successor Rate or, failing which, an Alternative Reference Rate to be used in place of the Original Reference Rate (and in either case, the applicable Adjustment Spread) or (ii) if the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed is unable to determine the relevant rates, the Issuer may (after consulting with the Independent Adviser (if any)) determine a Successor Rate or, failing which an Alternative Reference Rate to be used in place of the Original Reference Rate (and in either case, the applicable Adjustment Spread). The use of any such Successor Rate or Alternative Reference Rate (including with the application of an Adjustment Spread) to determine the Rate of Interest may result in the Notes performing differently (including paying a lower Rate of Interest for any Interest Period) than they would do if the Original Reference Rate were to continue to apply.

Furthermore, if a Successor Rate or Alternative Reference Rate (and in either case, the applicable Adjustment Spread) is determined by an Independent Adviser or the Issuer, as the case may be, the Terms and Conditions provide that the Issuer may vary the Terms and Conditions and the Agency Agreement as necessary, to ensure the proper operation of such Successor Rate or Alternative Reference Rate, without any requirement for consent or approval of the holders of the Notes.

There is no guarantee that any Adjustment Spread will be effective in reducing or eliminating any economic prejudice or benefit to holders of the Notes or that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. Furthermore, there is no guarantee that a Successor Rate or an Alternative Reference Rate will be determined or applied. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on the Notes.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period or Reset Period, as the case may be, may result in the Rate of Interest for the last preceding Interest Period or Reset Period, as the case may be, being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes, as the case may be, based on the rate which was last observed on the Relevant Screen Page.

In addition potential investors should also note that no Successor Rate, Alternative Reference Rate or Adjustment Spread will be adopted, nor will any other amendment to the Terms and Conditions, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to: (A) prejudice the qualification of the Notes as (I) in the case of Subordinated Notes, Tier 2 Instruments of the Issuer and/or Notes available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer and/or (II) in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes, "eligible liabilities" (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer; and/or (B) result in the Relevant Authority treating the next Interest Payment Date or Reset Date, as applicable, as the effective maturity of the Notes, rather than the relevant Maturity Date.

Any of the above matters or any other significant change to the setting or existence of the Original Reference Rate could adversely affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

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

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

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

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks,

are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes. In addition, should the Issuer be in financial distress, this is likely to have a further significant impact on the secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount.

**If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments in 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 may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) 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 value of Fixed Rate Notes may be adversely affected by movements in market interest rates**

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

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

One or more independent credit rating agencies may assign credit ratings to the Notes. There is no obligation on the Issuer to maintain any rating for itself or for the Notes it has issued. The 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 lowered, withdrawn or qualified by the rating agency at any time.

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

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

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.



**Legal investment considerations may restrict certain investments**

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

## DOCUMENTS INCORPORATED BY REFERENCE

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

the audited consolidated annual financial statements of BST as at and for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 and the related Legal Certification of Accounts and Auditors' Report (which can be found at [https://www.santander.pt/pdfs/investor-relations/santander-totta-sa/relatorio-e-contas/2021/Relatorio\\_BST\\_2021\\_FINAL\\_Eng.pdf](https://www.santander.pt/pdfs/investor-relations/santander-totta-sa/relatorio-e-contas/2021/Relatorio_BST_2021_FINAL_Eng.pdf), [https://www.santander.pt/pdfs/investor-relations/santander-totta-sa/relatorio-e-contas/2022/BST\\_Annual\\_Report\\_2022\\_non\\_official\\_non\\_audited.pdf](https://www.santander.pt/pdfs/investor-relations/santander-totta-sa/relatorio-e-contas/2022/BST_Annual_Report_2022_non_official_non_audited.pdf) and [https://www.santander.pt/pdfs/investor-relations/santander-totta-sa/relatorio-e-contas/2023/BST\\_Annual\\_Report\\_2023\\_non\\_official\\_non\\_audited.pdf](https://www.santander.pt/pdfs/investor-relations/santander-totta-sa/relatorio-e-contas/2023/BST_Annual_Report_2023_non_official_non_audited.pdf) respectively).

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

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

The following documents shall be incorporated in, and form part of, this Base Prospectus:

<b>Document</b>	<b>Section Incorporated</b>
<b>Banco Santander Totta, S.A.</b>	
<b>1. Reports and Financial Statements 2023</b>	
Alternative Performance Indicators	<b>Pages 61-63</b>
Consolidated financial statements	<b>Pages 110-115</b>
Consolidated balance sheet as at December 31, 2023 and 2022	<b>Page 111</b>
Consolidated statement of profit or loss for financial years ended December 31, 2023 and 2022	<b>Page 112</b>
Consolidated statement of other comprehensive income for financial years ended December 31, 2023 and 2022	<b>Page 113</b>
Consolidated statement of changes in equity for financial years ended December 31, 2023 and 2022	<b>Page 114</b>
Consolidated statement of cash flows for financial years ended December 31, 2023 and 2022	<b>Page 115</b>
Notes to the consolidated financial statements	<b>Pages 116-233</b>
Reports and opinions on the consolidated financial statements	<b>Pages 235-245<sup>1</sup> (out of 246)</b>
<b>2. Reports and Financial Statements 2022</b>	
Alternative Performance Indicators	<b>Pages 71-73</b>
Consolidated financial statements	<b>Pages 117-122</b>
Consolidated balance sheet as of December 31, 2022 and 2021	<b>Page 118</b>
Consolidated statement of profit or loss for the years ended December 31, 2022 and 2021	<b>Page 119</b>
Consolidated statement of other comprehensive income for the years ended December 31, 2022 and 2021	<b>Page 120</b>
Consolidated statement of changes in equity for the years ended December 31, 2022 and 2021	<b>Page 121</b>
Consolidated statement of cash flows for the years ended December 31, 2022 and 2021	<b>Page 122</b>
Notes to the consolidated financial statements	<b>Pages 123-247</b>

<sup>1</sup> Relates to the PDF page number references.

### **3. Reports and Financial Statements 2021**

Alternative Performance Indicators

**Pages 70-72**

Consolidated financial statements

**Pages 117-122**

Consolidated statement of profit or loss as of December 31, 2021 and 2020

**Page 119**

Consolidated statement of financial position as of December 31, 2021 and 2020

**Page 118**

Consolidated statements of cash flows for the years ended December 31, 2021 and 2020

**Page 122**

Consolidated statement of changes in shareholders' equity for the periods ended December 31, 2021 and 2020

**Page 121**

Consolidated statement of other comprehensive income as of December 31, 2021 and 2020

**Page 120**

Notes to the consolidated financial statements

**Pages 123-268**

Reports and opinions on the consolidated business

**Pages 269-281<sup>3</sup> (out of 282)**

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

The Issuer confirms that any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference lists above) are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

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<sup>2</sup> Relates to the PDF page number references.

<sup>3</sup> Relates to the PDF page number references.

## FORM OF THE NOTES AND CLEARING SYSTEM

The Notes will be held through a central securities depository (“CSD”) which will be the Portuguese domestic CSD, Interbolsa.

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Interbolsa currently in effect. The information in this section concerning Interbolsa has been obtained from sources that the Issuer believes to be reliable, but none of the Dealers or the Arranger take any responsibility for the accuracy thereof. Investors wishing to use the facilities of Interbolsa are advised to confirm the continued applicability of its rules, regulations and procedures. None of the Issuer, the Arranger or any of the Dealers will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, interests in the Notes held through the facilities of Interbolsa or for maintaining, supervising or reviewing any records relating to such interests.

Interbolsa registers securities for its participants and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective participants. Interbolsa provides various services including safekeeping, administration, clearance and settlement of domestically and internationally traded securities and securities lending and borrowing.

The address of Interbolsa is Avenida da Boavista, 3433, 4100-138 Porto, Portugal.

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless an exemption from the registration requirements of the U.S. Securities Act is available or in a transaction not subject to the registration requirements of the U.S. Securities Act (see *Subscription and Sale*). Accordingly, the Notes will be offered and sold only outside the United States in reliance upon Regulation S under the U.S. Securities Act.

### General

Interbolsa manages a centralised system (“*sistema centralizado*”) composed of interconnected securities accounts, through which such securities (and inherent rights) are held and transferred, and which allows Interbolsa to control at all times the amount of securities so held and transferred. Issuers of securities, financial intermediaries, the Bank of Portugal and Interbolsa, as the controlling entity all participate in such centralised system.

The centralised securities system of Interbolsa provides for all the procedures required for the exercise of ownership rights inherent to the securities held through Interbolsa.

In relation to each issue of securities, Interbolsa’s centralised system comprises, *inter alia*, (i) the issue account, opened by the Issuer in the centralised system and which reflects the full amount of issued securities; and (ii) the control accounts opened by each of the financial intermediaries which participate in Interbolsa’s centralised system, and which reflect the securities held by such participant on behalf of its customers in accordance with its individual securities accounts.

The Notes will be attributed an International Securities Identification Number (ISIN) code through the codification system of Interbolsa and will be accepted for clearing through LCH Clearnet, S.A., the clearing system operated at Interbolsa as well as through the clearing systems operated by Euroclear and CBL and settled by Interbolsa’s settlement system. Under the procedures of Interbolsa’s settlement system, settlement of stock exchange transactions takes place on the second Business Day after the trade date and is provisional until the financial settlement that takes place on the settlement date.

### Form of the Notes

The Notes of each Series will be in book-entry form (*forma escritural*) and title to the Notes will be evidenced by book entries in accordance with the provisions of the Portuguese Securities Code and the applicable CMVM regulations. No physical document of title will be issued in respect of Notes held through Interbolsa. The Notes will be nominative Notes (*nominativas*).

The Notes of each Series will be registered in the relevant issue account opened by the Issuer with Interbolsa and will be held in control accounts by each Affiliate Member of Interbolsa on behalf of the holders of the Notes. Such control accounts reflect at all times the aggregate of Notes held in the individual securities accounts opened by the holders of the Notes with each of the Affiliate Members of Interbolsa. The expression “*Affiliate Member of Interbolsa*” means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and CBL for the purpose of holding accounts on behalf of Euroclear and CBL.

Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded therein.

### **Payment of principal and interest in respect of Notes held through Interbolsa**

Payment in respect of the Notes of principal and interest (i) in Euros will be (a) credited, according to the procedures and regulations of Interbolsa, to T2 payment current accounts held in the payment system of T2 according to the applicable procedures and regulations of Interbolsa by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be; and (ii) in currencies other than Euro will be (a) transferred, on the payment date and according to the procedures and regulations applicable by Interbolsa, from the account held by the relevant Paying Agent in the Foreign Currency Settlement System (*Sistema de Liquidação em Moeda Estrangeira*), managed by CGD, to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter (b) transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of those Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be.

The Issuer must provide Interbolsa with a prior notice of all payments in relation to Notes and all necessary information for that purpose. In particular, such notice must contain:

- (a) the identity of the Paying Agent responsible for the relevant payment; and
- (b) a statement of acceptance of such responsibility by such Paying Agent.

The relevant Paying Agent notifies Interbolsa of the amounts to be paid for payments to be processed in accordance with Interbolsa procedures and regulations.

In the case of a partial payment, the amount held in the T2 current account of the relevant Paying Agent must be apportioned *pro-rata* between the accounts of the Affiliate Members of Interbolsa.

### **Transfer of Notes**

Notes held through Interbolsa may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Notes. No owner of Notes will be able to transfer such Notes, except in accordance with Portuguese Law and the applicable procedures of Interbolsa.

## FORM OF FINAL TERMS

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 (i) at least EUR 100,000 (or its equivalent in any other currency).

### [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 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 Regulation (EU) 2017/1129 (the "*Prospectus Regulation*"). Consequently, no key information document required by regulation (EU) No 1286/2014 (as amended, the "*PRIPs 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 PRIPs Regulation.]<sup>4</sup>

### [PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("*EUWA*"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("*FSMA*") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "*UK PRIIPs Regulation*") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>5</sup>

### [MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES

**ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "*MiFID II*")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "*distributor*") should take into consideration the 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.]

### [UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES

**ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("*COBS*"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018/EUWA] ("*UK MiFIR*"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "*UK distributor*") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "*UK MiFIR Product Governance Rules*") is

<sup>4</sup> 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 in the EEA or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

<sup>5</sup> 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 in the UK or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

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.]

**[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (as amended or modified from time to time, the “SFA”) - [Insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or 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)].]**<sup>6</sup>

## FINAL TERMS

[Date]

**Banco Santander Totta, S.A.**  
(incorporated with limited liability in the Republic of Portugal)

acting through its Lisbon Head Office

**Legal entity identifier: 549300URJH9VSI58CS32**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]<sup>7</sup>  
under the EUR 10,000,000,000  
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 set forth in the Base Prospectus dated 23 May 2024 [and the supplement[s] to it dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “Base Prospectus”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

1.
  - (a) Series Number: [ ]
  - (b) Tranche Number: [ ]
  - (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [identify issue amount/ISIN/maturity date/issue date of earlier Tranches]] on [the Issue Date/[date]] [Not Applicable]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount
  - (a) Series: [ ]
  - (b) Tranche: [ ]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5.
  - (a) Specified Denominations: [ ]  
(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))  
(Note – where multiple denominations above EUR 100,000 (or equivalent) are being used the following sample wording should be followed:  
“EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000.”)

<sup>6</sup> Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

<sup>7</sup> Include the expression “Obrigações de Caixa” in the title if the applicable Final Terms refer to the issue of Cash bonds (“Obrigações de Caixa”).

- (b) Calculation Amount: [ ]  
*(If only one Specified Denomination, insert the Specified Denomination.  
If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: [ ]  
(b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date<sup>8</sup>: [Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [specify month and year]]
8. Interest Basis: [[ ] per cent. Fixed Rate] [Reset Notes]  
[[ ] month EURIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon Note]  
*(see paragraph [14]/[15]/[16]/[17] below)*
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100]/[specify other redemption amount to be greater than 100] per cent. of their nominal amount.
10. Change of Interest Basis: [Specify the date when any fixed to floating change occurs or cross refer paragraphs 14 and 16 below if details are included there] [Not Applicable]
11. Put/Call Options: [Issuer Call]  
[Investor Put]  
[Not Applicable]  
*(see paragraph [19]/[20] below)*  
[(further particulars specified below)]
12. (a) Status: [Senior Preferred Notes/Senior Non-Preferred Notes/Subordinated Notes]  
(b) Type of Senior Preferred Notes: [Not Applicable/Senior Preferred MREL Eligible Notes/Not Senior Preferred MREL Eligible Notes]
13. Date [Board] approval for issuance of Notes obtained: [[ ] [and [ ], respectively]]/[Not Applicable]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

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

14. Fixed Rate Note Provisions: [Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding) ([ ] ) / Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date]  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*
- (d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] ] [Not Applicable]

<sup>8</sup> Notes will have a minimum maturity of one year or more.



*(Applicable to Notes in definitive form)*

- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]  
 (f) [Determination Date(s)]: [[ ] in each year] [Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- 15. Reset Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Interest Payment Date(s): [ ] [and [ ]] in each year up to and including the Maturity Date  
 (b) Initial Rate of Interest: [ ] per cent. per annum payable in arrear [on each Interest Payment Date]  
 (c) First Margin: [+/-][ ] per cent. per annum/[Not Applicable]  
 (d) Subsequent Margin: [[+/-][ ] per cent. per annum][Not Applicable]  
 (e) First Reset Date: [ ]  
 (f) Second Reset Date: [ ]/[Not Applicable]  
 (g) Subsequent Reset Date(s): [ ]/[Not Applicable]  
 (h) Relevant Screen Page: [ ]  
 (i) Day Count Fraction: [Actual/Actual – ICMA][30/360]  
 (j) Determination Dates: [[ ] in each year]/[Not Applicable]  
 (k) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]  
 (l) Mid-Swap Maturity: [ ]  
 (m) Calculation Agent: [ ]  
 (n) Fixed Leg Swap Duration: [ ]  
 (o) Mid-Swap Floating Leg Benchmark Rate: [ ]  
 (p) Business Centre(s): [ ]
- 16. Floating Rate Note Provisions:** [Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])) / Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (c) below/, not subject to any adjustment, as in the Business Day Convention in (c) below is specified to be Not Applicable]  
 (b) First Interest Payment Date: [ ]  
 (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Not Applicable]]  
 (d) Additional Business Centre(s): [ ]  
 (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ] (the “Calculation Agent”)  
 (f) Screen Rate Determination  
     – Reference Rate: [ ] month EURIBOR  
     – Interest Determination Date(s): [ ]  
     – Relevant Screen Page: [ ]  
*(Second day on which T2 is open prior to the start of each Interest Period if EURIBOR)*  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

	(g) Linear Interpolation	[Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )] [+/-] [ ] per cent. per annum
	(h) Margin(s):	[[ ] / [0]] per cent. per annum
	(i) Minimum Rate of Interest:	[ ] per cent. per annum
	(j) Maximum Rate of Interest:	[Actual/Actual (ISDA)] [Actual/Actual]
	(k) Day Count Fraction:	Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA)]
<b>17.</b>	Zero Coupon Note Provisions:	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining subparagraphs of this paragraph</i> ) [ ] per cent. per annum [ ] ( <i>Consider applicable day count fraction if euro denominated</i> ) [30/360] [Actual/360] [Actual/365]
<b>PROVISIONS RELATING TO REDEMPTION</b>		
<b>18.</b>	Notice periods for Condition 6(b) of the Notes:	Minimum period: [30] days Maximum period: [60] days
<b>19.</b>	Issuer Call:	[Applicable/Not Applicable]  ( <i>If not applicable, delete the remaining subparagraphs of this paragraph</i> ) [ ] [[ ] per Calculation Amount]  [ ] [ ] Minimum period: [15] days Maximum period: [30] days ( <i>N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent</i> )
<b>20.</b>	Investor Put:	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining subparagraphs of this paragraph</i> ) [ ] [ ] per Calculation Amount Minimum period: [15] days Maximum period: [30] days ( <i>N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put)</i> )

21. Final Redemption Amount: *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
22. Early Redemption Amount payable on redemption for taxation reasons, upon an event of default, upon an Eligible Liabilities Event (in the case of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes) or upon a Capital Event (in case of Subordinated Notes): *[ ] per Calculation Amount*  
*[ ] per Calculation Amount (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: *[Dematerialised book-entry]*  
*[Nominativas]*
24. Additional Financial Centre(s): *[Not Applicable/give details]*  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which subparagraph 16(d) relates)*

#### THIRD PARTY INFORMATION

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

Signed on behalf of Banco Santander Totta, S.A.

By:

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(i) Listing and Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the official list of the Luxembourg Stock Exchange with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the official list of the Luxembourg Stock Exchange with effect from [ ].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

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

### 2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. Each of [*defined terms*] is established in the [European Economic Area ("EEA") / United Kingdom ("UK")] and is registered under [Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation") / Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation")].

[[*Insert the legal name of the relevant non-EEA / non-UK CRA entity*] is not established in the [EEA / UK] and has not applied for registration under the [CRA Regulation / UK CRA Regulation]. The ratings have been endorsed by [*insert the legal name of the relevant EEA-registered / UK-registered CRA entity*] in accordance with the [CRA Regulation / UK CRA Regulation]. [*Insert the legal name of the relevant EEA CRA / UK CRA entity*] is established in the [EEA / UK] and registered under the [CRA Regulation / UK CRA Regulation]]. The list of registered and certified rating agencies is published by the European Securities and Markets Authority ("ESMA") on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. [ESMA has indicated that ratings issued in [the United States/Canada/Hong Kong/Singapore/Argentina/Mexico/UK (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EEA CRA entity that applied for registration*] may be used in the EEA by the relevant market participants.]]/[Not Applicable.] *(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.)*

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

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and their 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. YIELD (Fixed Rate Notes only)

Indication of yield: ☐ [Not Applicable]

### 5. OPERATIONAL INFORMATION

- |       |                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)   | ISIN:                                                                                                                                     | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (ii)  | Common Code:                                                                                                                              | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (iii) | CFI:                                                                                                                                      | [[ <i>Include code</i> ], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (iv)  | FISN:                                                                                                                                     | [[ <i>Include code</i> ], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (v)   | Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. or Interbolsa and the relevant identification number(s): | [Not Applicable/ <i>give name(s), address(es) and number(s)</i> /Central de Valores Mobiliários identification number]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| (vi)  | Names and addresses of additional Paying Agent(s) (if any):                                                                               | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility:                                                                 | [Yes] [No]<br>[Note that the designation “yes” simply means that the Notes are intended upon issue to be registered with Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. in its capacity as a securities settlement system, 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 satisfaction of the Eurosystem eligibility criteria.][ <i>include this text if “yes” selected above</i> ] |

### 6. DISTRIBUTION

- |       |                                             |                                      |
|-------|---------------------------------------------|--------------------------------------|
| (i)   | If syndicated, names of Managers:           | [Not Applicable/ <i>give names</i> ] |
| (ii)  | Date of [Subscription] Agreement:           | [ ]                                  |
| (iii) | If non-syndicated, name of relevant Dealer: | [Not Applicable/ <i>give name</i> ]  |
| (iv)  | U.S. Selling Restrictions:                  | [TEFRA C/TEFRA not applicable]       |

- |        |                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (v)    | Prohibition of Sales to EEA Retail Investors:                              | <p>[Applicable/Not Applicable]<br/> <i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared in the EEA, “Applicable” should be specified.)</i></p>                                                                                                                                                                                                                                                                                                                                                                                                        |
| (vi)   | Prohibition of Sales to UK Retail Investors:                               | <p>[Applicable/Not Applicable]<br/> <i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the UK, “Applicable” should be specified.)</i></p>                                                                                                                                                                                                                                                                                                                                                                                     |
| (vii)  | Prohibition of Sales to Belgian Consumers:                                 | <p>[Applicable/Not Applicable]<br/> <i>(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (viii) | [Singapore Sales to Institutional Investors and Accredited Investors only: | <p>[Applicable/Not Applicable]<br/> <i>(Consider deleting this subparagraph if no sales are being made to Singapore)</i></p> <p><i>(If the Notes are offered to Institutional Investors and Accredited Investors in Singapore only, “Applicable” should be specified.</i></p> <p><i>If the Notes are <b>also</b> offered to investors other than Institutional Investors and Accredited Investors in Singapore, “Not Applicable” should be specified, however, parties, should consider the Monetary Authority of Singapore’s Notice on Business Conduct Requirements for Corporate Finance Advisers on 23 February 2023 and the related due diligence requirements, and “Not Applicable” should only be specified if no corporate finance advice is given by any Manager or Dealer)]</i></p> |

## 8 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- |      |                         |                                                                                                                                                                                                                                |
|------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)  | Reasons for the Offer:  | <p>[See “Use of Proceeds” in the Base Prospectus/Give details]<br/> <i>(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details)</i></p> |
| (ii) | Estimated net proceeds: | [ ]                                                                                                                                                                                                                            |

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Note settled by Central de Valores Mobiliários, S.A. the clearing system operated at Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários S.A. The applicable Final Terms (or the relevant provisions thereof) will be incorporated into and applicable to each Note. Reference should be made to “Applicable Final Terms” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued pursuant to the Agency Agreement (as defined below). References herein to “Issuer” shall be references to the party specified as such in the applicable Final Terms (as defined below), and references herein to “Notes” shall be to references to the Notes of this Series.

The Notes have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “*Agency Agreement*”) dated 23 May 2024, and made between Banco Santander Totta, S.A., acting through its Lisbon Head Office as issuer (the “*Issuer*”), Banco Santander Totta, S.A. as agent and paying agent in Portugal (the “*Agent*” and the “*Portuguese Paying Agent*” respective which expressions shall each include any successor agent and Portuguese paying agent) and the other paying agents named therein (together with the Agent, the “*Paying Agents*”, which expression shall include any additional or successor paying agents).

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms incorporated into this Note and complete these Terms and Conditions. References to the “*applicable Final Terms*” are, unless otherwise stated, to the Part A of the Final Terms (or the relevant provisions thereof) incorporated into this Note.

Any reference to “*Noteholders*” or “*holders*” in relation to any Notes shall mean, if integrated in and held through Interbolsa-Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (“*Interbolsa*”), as operator of the Portuguese centralised securities system (“*CVM*”), each person shown in the book-entry records of a financial institution, which is licensed to act as a financial intermediary under the Portuguese Securities Code (“*Código dos Valores Mobiliários*”, the “*Portuguese Securities Code*”) and the regulations issued by Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Commission, the “*CMVM*”), by Interbolsa or otherwise applicable rules and regulations and which is entitled to hold control accounts (each such institution an “*Affiliate Member of Interbolsa*”), as having an interest in the principal amount of the Notes.

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

If so specified in the applicable Final Terms, the Notes may qualify as cash bonds (*obrigações de caixa*) under the terms of Decree-Law 408/91, of 17 October 1991 (as amended), provided that certain requirements set out therein are met, including that (i) such Notes have a maturity of not less than two years, (ii) the Issuer is not entitled to acquire such Notes before two years have elapsed since the relevant Issue Date and (iii) the Noteholders may not choose to redeem such Notes before one year has elapsed since the relevant Issue Date.

Copies of the Agency Agreement are (i) available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any of the Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent).

If the Notes are to be admitted to trading on the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)). If the Notes are neither to be admitted to trading on (i) a regulated market in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in the (i) European Economic Area or (ii) the United Kingdom, in circumstances where a prospectus would otherwise be required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these

Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

In these Terms and Conditions, “euro”, “EUR”, “Eur” and “€” mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. The expression “*Prospectus Regulation*” means Regulation (EU) 2017/1129.

## **1. FORM, DENOMINATION, TITLE AND TRANSFER**

The Notes are represented in dematerialised book-entry (“*forma escritural*”) form in the currency (the “*Specified Currency*”) and the denominations (the “*Specified Denomination(s)*”) specified in the applicable Final Terms and will be *nominativas* and therefore Interbolsa, at the request of the Issuer, can ask the Affiliate Members of Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note or a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note, as specified in the applicable Final Terms. If this Note is a Senior Preferred Note, it may be a Senior Preferred MREL Eligible Note if so specified in the applicable Final Terms.

Title to the Notes held through Interbolsa (each a “*Note*”) will be evidenced by book-entries in accordance with the Portuguese Securities Code and the regulations issued by the CMVM, by Interbolsa or otherwise applicable thereto. Each person shown in the book-entry records of an Affiliate Member of Interbolsa as having an interest in the Notes shall be deemed to be the holder of the principal amount of the Notes recorded.

Title to the Notes is subject to compliance with all rules, restrictions and requirements applicable to the activities of Interbolsa.

One or more certificates in relation to the Notes (each, a “*Certificate*”) will be delivered by the relevant Affiliate Member of Interbolsa in respect of a registered holding of Notes upon the request by the relevant Noteholder and in accordance with that Affiliate Member of Interbolsa’s procedures pursuant to article 78 of the Portuguese Securities Code.

The Notes will be registered in the relevant issue account of the Issuer with Interbolsa and will be held in control accounts opened by each Affiliate Member of Interbolsa on behalf of the Noteholders. The control account of a given Affiliate Member of Interbolsa will reflect at all times the aggregate principal amount of Notes held in the individual securities’ accounts of the Noteholders with that Affiliate Member of Interbolsa.

The person or entity registered in the book-entry registry of the Central de Valores Mobiliários (the “*Book-Entry Registry*”) and each such entry therein, a “*Book Entry*”) as the holder of any Note shall (except as otherwise required by law) 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 other interest therein).

The Issuer and the Paying Agents may (to the fullest extent permitted by applicable law) deem and treat the person or entity registered in the Book-Entry Registry as the holder of any Note and the absolute owner for all purposes. Proof of such registration is made by means of a Certificate issued by the relevant Affiliate Member of Interbolsa pursuant to article 78 of the Portuguese Securities Code.

No Noteholder will be able to transfer Notes, or any interest therein, except in accordance with Portuguese law and regulations. Notes may only be transferred in accordance with the applicable procedures established by the Portuguese Securities Code and the regulations issued by the CMVM or Interbolsa, as the case may be, and the relevant Affiliate Members of Interbolsa through which the Notes are held.

References to Interbolsa shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

## **2. STATUS OF THE NOTES**

### **(a) Status of Senior Preferred Notes**



The Senior Preferred Notes are direct, unconditional, unsecured (subject, except in the case of Senior Preferred MREL Eligible Notes, to the provisions of Condition 3) and unsubordinated obligations of the Issuer and the claims of the holders of the Senior Preferred Notes in respect of payments pursuant thereto will, in the event of the winding-up of the Issuer, (to the extent permitted by Portuguese law) rank:

- (i) *pari passu* among themselves;
- (ii) (save for certain obligations required to be preferred by law) at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer from time to time outstanding; and
- (iii) senior to (A) any Senior Non-Preferred Obligations and (B) all subordinated obligations of or claims against the Issuer, present and future.

**(b) Status of Senior Non-Preferred Notes**

The Senior Non-Preferred Notes are direct, unconditional and unsecured obligations of the Issuer and the claims of the holders of the Senior Non-Preferred Notes in respect of payments pursuant thereto will, in the event of the winding-up of the Issuer, (to the extent permitted by Portuguese law) rank:

- (i) *pari passu* among themselves;
- (ii) *pari passu* with the claims of holders of all other Senior Non-Preferred Obligations;
- (iii) junior to any present or future claims of (A) depositors of the Issuer and (B) any unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations (including, for the avoidance of doubt, claims arising from excluded liabilities within the meaning of Article 72a(2) of the CRR); and
- (iv) in priority to any present or future claims of holders of (A) all classes of share capital of the Issuer and (B) all other subordinated obligations or other securities of the Issuer (including the Subordinated Notes) which rank, or are expressed to rank, junior to the Senior Non-Preferred Obligations.

**(c) Status of Subordinated Notes**

The Subordinated Notes are direct, unconditional and unsecured obligations of the Issuer save that the claims of the holders of the Subordinated Notes in respect of payments pursuant thereto will, in the event of the winding-up of the Issuer, (to the extent permitted by Portuguese law, including, without limitation, Article 8-B of Decree-Law 199/2006 of 25 October 2006, which implements Article 48(7) of the BRRD) be wholly subordinated to the claims of all Senior Creditors of the Issuer and shall rank:

- (i) *pari passu* among themselves;
- (ii) at least *pari passu* with any present or future claims of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Instruments of the Issuer; and
- (iii) in priority to any present or future claims of holders of (A) all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Instruments of the Issuer, (B) all undated or perpetual subordinated obligations of the Issuer (other than any such obligations which rank, or are expressed to rank, *pari passu* with, or in priority to, the Subordinated Notes), (C) all classes of share capital of the Issuer and (D) all other obligations of the Issuer which rank, or are expressed to rank, junior to the Subordinated Notes.

The subordination of the Notes is for the benefit of the Issuer and all Senior Creditors of the Issuer.

**(d) Waiver of Set-Off**

This Condition 2(d) is applicable only in relation to (i) Senior Preferred MREL Eligible Notes, (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes.

No holder of a Note may exercise or claim any right of set-off or netting in respect of any amount owed by it to the Issuer arising out of or in connection with such Note and each such holder of a Note shall, by virtue of its subscription, purchase or holding of any such Note, be deemed to have waived all Set-Off Rights.

To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a Noteholder arising under or in connection with the Notes; and (z) any amount owed to the Issuer by such Noteholder, such Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding-up or dissolution, the liquidation or insolvency estate, to be held on trust for (1) in the case of Senior Preferred MREL Eligible Notes, the creditors of the Issuer in respect of any obligations required by law to be preferred to the Notes, (2) in the case of Senior Non-Preferred Notes, the

Senior Creditors of the Issuer other than creditors of the Issuer in respect of Senior Non-Preferred Obligations, or (3) in the case of Subordinated Notes, the Senior Creditors of the Issuer.

**(e) Definitions**

For the purposes of these Conditions:

*“Applicable Banking Regulations”* means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Portugal and applicable to the Issuer, including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Authority and/or any regulation, directive or other binding rules, standards or decisions adopted by the institutions of the European Union (including, for the avoidance of doubt, the CRR);

*“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;

*“Relevant Authority”* means (a) in the case of Subordinated Notes, the Bank of Portugal, the European Central Bank or such other authority (whether in Portugal or elsewhere) having primary responsibility for prudential supervision of the Issuer or (b) in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes, the Relevant Resolution Authority (as defined in Condition 14).

*“Senior Creditors of the Issuer”* means (a) creditors of the Issuer whose claims are admitted to proof in the winding-up of the Issuer and who are unsubordinated creditors of the Issuer and (b) creditors of the Issuer whose claims are or are expressed to be subordinated to the claims of other creditors of the Issuer (other than those whose claims relate to obligations which constitute, or would, but for any applicable limitation on the amount of such capital, constitute Tier 1 Instruments or Tier 2 Instruments of the Issuer, or whose claims otherwise rank or are expressed to rank *pari passu* with, or junior to, the claims of holders of the Subordinated Notes);

*“Senior Non-Preferred Obligations”* means any unsecured senior non-preferred obligations of the Issuer as regulated under article 8-A of Decree Law 199/2006 of August 14, as amended or replaced from time to time, (including, without limitation, the obligations of the Issuer in respect of any Senior Non-Preferred Notes) and any other obligations of the Issuer which, by law and/or by their terms, and to the extent permitted by Portuguese law, rank *pari passu* with any such Senior Non-Preferred Obligations;

*“Set-Off Rights”* means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note;

*“Tier 1 Instruments”* has the meaning given to it by the Applicable Banking Regulations from time to time; and

*“Tier 2 Instruments”* has the meaning given to it by the Applicable Banking Regulations from time to time.

**3. NEGATIVE PLEDGE IN RELATION TO THE SENIOR PREFERRED NOTES OTHER THAN SENIOR PREFERRED MREL ELIGIBLE NOTES**

This Condition 3 is applicable only in relation to Senior Preferred Notes which are not specified as being Senior Preferred MREL Eligible Notes in the applicable Final Terms.

So long as any of the Senior Preferred Notes (other than Senior Preferred MREL Eligible Notes) remains outstanding, the Issuer shall not create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Indebtedness (as defined below) or any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of an encumbrance or security interest, at the same time and, in any other case, promptly according to the Noteholders an equal and rateable interest in the same or providing to the Noteholders such other security as shall be approved by an Extraordinary Resolution of the Noteholders.

Nothing in this Condition 3 shall prevent the Issuer from creating or permitting to subsist a mortgage, charge, lien, pledge or similar encumbrance or security interest upon a defined pool of its assets (not representing all of the assets of the Issuer) (including, but not limited to, receivables) (the *“Secured Assets”*) which is or was created pursuant to any securitisation (including any synthetic securitisations) or like arrangement in accordance with normal market practice (whether or not involving the issue by the Issuer itself of asset backed securities) and whereby, except in the case of synthetic securitisations, all payment obligations in respect of the Indebtedness or any guarantee or indemnity given in respect of the Indebtedness, as the case may be, secured on the Secured Assets are to be discharged solely from the Secured Assets.

As used herein:

“*Indebtedness*” means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) but excluding Covered Bonds:

- (i) where more than 50 per cent. in aggregate principal amount of such bonds, notes, debentures or other securities are initially offered outside the Republic of Portugal by or with the authorisation of the Issuer; and
- (ii) which are, or are intended to be or are capable of being, listed or traded on any stock exchange, over-the-counter or other organised market for securities (whether or not initially distributed by way of private placing).

“*Covered Bonds*” means any bonds or notes issued by the Issuer the obligations of which benefit from a special creditor privilege (“*privilégio creditório especial*”) as a result of them being collateralised by a defined pool of assets comprised of mortgage loans or other loans permitted by applicable Portuguese legislation to be included in the pool of assets and where the requirements for that collateralisation are regulated by applicable Portuguese legislation.

#### 4. INTEREST

##### (a) Interest on Fixed Rate Notes

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

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

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

Interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Notes, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “*Actual/Actual (ICMA)*” is specified in the applicable Final Terms:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “*Accrual Period*”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (iii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

In these Terms and Conditions:

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

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

**(b) Interest on Reset Notes**

For the purpose of these Conditions, “*Relevant Screen Page*” means the Relevant Screen Page specified in the applicable Final Terms.

- (i) Each Reset Note bears interest (i) from (and including) the Interest Commencement Date specified in the applicable Final Terms to (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 period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest (in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards), payable in each case, in arrear on the Interest Payment Date(s) so specified in the applicable Final Terms.
- (ii) If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 12 (noon) 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 Calculation 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 converted as set out in the definition of First Reset Rate of Interest or Subsequent Reset Rate of Interest (as applicable) of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. 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 Calculation Agent. If none or only one of the Reference Banks provides the Calculation 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 determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Rate of Interest before the First Reset Date (adjusted, in the case of any Reset Notes that are Senior Preferred Notes other than Senior Preferred MREL Eligible Notes, to take into account any change in the prevailing Margin).
- (iii) The Rate of Interest and the amount of interest payable (the “*Reset Interest Amount*”) shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Reset Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 4(a) and, for such purposes, references in the fourth paragraph of Condition 4(a) to “Fixed Rate Notes” shall be deemed to be to “Reset Notes”, “Rate of Interest” shall be to “First Reset Rate of Interest” or “Subsequent Reset Rate of Interest” (as applicable) and Condition 4(a) shall be construed accordingly.
- (iv) The Calculation Agent will cause the Rate of Interest (other than the Initial Rate of Interest) and each related Reset Interest Amount to be notified to the Issuer and any stock exchange on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 11 as soon as possible after their determination but in no event later than the fourth Lisbon Business Day (as defined below) thereafter. For the purposes of this sub-paragraph (iv), the

expression "*Lisbon Business Day*" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Lisbon.

(v) If for any reason the Calculation Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest or calculate any Reset Interest Amount in accordance with Condition 4(b)(iii) above, the Issuer shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition), it shall deem fair and reasonable and such determination or calculation shall be deemed to have been made by the Calculation Agent.

(vi) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent and all Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(vii) For the purposes of this Condition 4(b):

"*Calculation Agent*" has the meaning specified in the applicable Final Terms;

"*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;

"*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 4(b)(ii) above, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted from a basis equivalent to the Fixed Leg Swap Duration specified in the applicable Final Terms to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of the relevant Mid-Swap Rate and the First Margin;

"*Fixed Leg Swap Duration*" has the meaning specified in the applicable Final Terms;

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

"*Margin*" means the First Margin or any Subsequent Margin (as applicable);

"*Mid-Swap Maturity*" has the meaning given in the applicable Final Terms;

"*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 applicable Final Terms (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Calculation 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, such day count basis as determined by the Calculation 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 the rate as specified in the applicable Final Terms;

"*Mid-Swap Rate*" means, in relation to a Reset Determination Date and subject to provision (b) above, either:

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

- (1) with a term equal to the relevant Reset Period; and
- (2) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page or such replacement page on that service which displays the information; or

- (B) 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 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

- (1) with a term equal to the relevant Reset Period; and
- (2) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page 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 Calculation Agent;

*“Rate of Interest”* means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

*“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;

*“Reset Business Day”* means a day on which commercial banks and foreign exchange markets settle payments and are open for general business including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable 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, or in each case 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;

*“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;

*“Subsequent Reset Period”* means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date (or, if no such Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date), and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (or, if no such Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date); and

*“Subsequent Reset Rate of Interest”* means, in respect of any Subsequent Reset Period and subject to Condition 4(b)(ii) above, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted from a basis equivalent to the Fixed Leg Swap Duration specified in the applicable Final Terms to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of the relevant Mid-Swap Rate and the relevant Subsequent Margin.

**(c) Interest on Floating Rate Notes**

**(i) Interest Payment Dates**

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

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls

the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Terms and Conditions, "*Interest Period*" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date) or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date. Interest will be calculated on the aggregate outstanding nominal amount of the relevant Notes.

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

- (1) in any case where Specified Periods are specified in accordance with Condition 4(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "*Business Day*" means a day which is:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Lisbon and each Additional Business Centre (other than T2) specified in the applicable Final Terms;
- (B) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system ("*T2*") is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

(ii) *Rate of Interest*

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

Screen Rate Determination for Floating Rate Notes

- (1) The Rate of Interest for each Interest Period will, subject as provided below, be either:
  - (a) the offered quotation; or
  - (b) the arithmetic mean (rounded if necessary to, if the Reference Rate is EURIBOR, the third decimal place, with 0.0005 being rounded upwards or, if the Reference Rate is not EURIBOR, to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,  
(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m.

(Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent, or Calculation Agent as the case may be. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent, or Calculation Agent as the case may be, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (2) If the Relevant Screen Page is not available or if, in the case of Condition 4(c)(ii)(1)(a), no offered quotation appears or, in the case of Condition 4(c)(ii)(1)(b), fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide the Agent, or Calculation Agent as the case may be, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent, or Calculation Agent as the case may be, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to, if the Reference Rate is EURIBOR, the third decimal place, with 0.0005 being rounded upwards or, if the Reference Rate is not EURIBOR, to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent, or Calculation Agent as the case may be.
- (3) If on any Interest Determination Date one only or none of the Reference Banks provides the Agent, or Calculation Agent as the case may be, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent, or Calculation Agent as the case may be, determines as being the arithmetic mean (rounded if necessary to, if the Reference Rate is EURIBOR, the third decimal place, with 0.0005 being rounded upwards or, if the Reference Rate is not EURIBOR, to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent, or Calculation Agent as the case may be, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent, or Calculation Agent as the case may be, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent, or Calculation Agent as the case may be, it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).
- (4) For the purposes of this Condition 4(c), “*Reference Banks*” means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, selected by the Agent.

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

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

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



(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

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

The Agent, or Calculation Agent as the case may be, will calculate the amount of interest (the “*Interest Amount*”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to, the aggregate outstanding nominal amount of the Notes and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest for any Interest Period:

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(v) *Linear Interpolation*

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

“*Designated Maturity*” means the period of time designated in the Reference Rate.

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

The Agent, or Calculation Agent as the case may be, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and each stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 11 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 11. For the purposes of this paragraph, the expression “*London Business Day*” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c), by the Agent, or Calculation Agent as the case may be, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, and/or the Calculation Agent as the case may be, the other Paying Agents and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent, or Calculation Agent as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) **Accrual of interest**

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

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent, or Calculation Agent as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 11.

**(e) Calculation Agent**

The Issuer shall procure that there shall at all times be one or more calculation agents if provision is made for them in the applicable Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

**(f) Benchmark Discontinuation**

This Condition 4(f) applies only if this Note is a Reset Note or a Floating Rate Note. If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the Notes:

- (i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint at its own expense an Independent Adviser to determine (without any requirement for the consent or approval of the holders of the Notes), no later than 10 days prior to the Interest Determination Date or Reset Determination Date (as applicable) relating to the next Interest Period or Reset Period (as applicable) for which the Rate of Interest (or the relevant component part thereof) is otherwise to be determined by reference to the Original Reference Rate (the "*IA Determination Cut-Off Date*"), (A) a Successor Rate or, failing which, an Alternative Reference Rate, for the purposes of determining each relevant Rate of Interest (or the relevant component part thereof) applicable to the Notes and (B) in either case, an Adjustment Spread. Without prejudice to the definitions thereof, for the purposes of determining any Successor Rate, Alternative Reference Rate and/or the applicable Adjustment Spread, the Independent Adviser will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;
- (ii) if the Issuer (a) is unable to appoint an Independent Adviser; or (b) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Reference Rate in accordance with this Condition 4(f), in either case prior to the relevant IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner and following consultation with the Independent Adviser in the event one has been appointed) may determine (without any requirement for the consent or approval of the holders of the Notes), no later than the Interest Determination Date or Reset Determination Date (as applicable) relating to the next Interest Period or Reset Period (as applicable) for which the Rate of Interest (or the relevant component part thereof) is otherwise to be determined by reference to the Original Reference Rate, (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 4(f). Without prejudice to the definitions thereof, for the purposes of determining any Successor Rate, Alternative Reference Rate and/or the applicable Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by an Independent Adviser or the Issuer, as applicable, in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall (subject to adjustment as provided in paragraph (iv) below) subsequently be used in place of the Original

Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of, and to further adjustment as provided in, this Condition 4(f));

- (iv) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by an Independent Adviser or the Issuer, as applicable, in accordance with paragraphs (i) or (ii) above, the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser (if any)), in each case acting in good faith and in a commercially reasonable manner, will determine the Adjustment Spread to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) for each determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Reference Rate (as applicable);
- (v) if the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser (if any)), in each case acting in good faith and in a commercially reasonable manner, determines (in accordance with paragraphs (i) or (ii) above) a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and/or the applicable Adjustment Spread in accordance with the above provisions, the Independent Adviser or, as the case may be, the Issuer may (without any requirement for the consent or approval of the holders of the Notes) also specify changes to these Conditions and/or the Agency Agreement in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or the Adjustment Spread (as applicable), including, but not limited to, (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Interest Determination Date, Reset Determination Date, time at which the Relevant Screen Page is observed and/or the definition of Reference Rate and (B) the method for determining the fall-back rate in relation to the Notes (such amendments, together the "*Benchmark Amendments*"). For the avoidance of doubt, the Issuer and the Agent shall effect such consequential amendments to the Agency Agreement and/or these Conditions as may be required in order to give effect to the application of this Condition 4(f). No consent shall be required from the holders of the Notes in connection with determining or giving effect to the Successor Rate, Alternative Reference Rate or the Adjustment Spread (as applicable) or any Benchmark Amendments, including for the execution of any documents or other steps to be taken by the Issuer or the Agent (if required or useful);
- (vi) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate, Adjustment Spread and/or Benchmark Amendments (as applicable), give notice thereof to the holders of the Notes in accordance with Condition 11 and the Agent (if different from the Issuer). Such notice shall be irrevocable and shall specify the relevant Successor Rate or Alternative Reference Rate (as applicable), the applicable Adjustment Spread and the specific terms of any other Benchmark Amendments, and their effective date;
- (vii) an Independent Adviser appointed pursuant to this Condition 4(f) shall act in good faith in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Agent or the Noteholders for any advice given to the Issuer or in connection with any determination made by the Independent Adviser or the Issuer, as applicable, pursuant to this Condition 4(f);
- (viii) Notwithstanding any other provision of this Condition 4(f), no Successor Rate, Alternative Reference Rate or Adjustment Spread will be adopted, nor will any other amendment to these Conditions be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to: (A) prejudice the qualification of the Notes as (I) in the case of Subordinated Notes, Tier 2 Instruments of the Issuer and/or Notes available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer and/or (II) in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes, "eligible liabilities" (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer; and/or (B) result in the Relevant Authority treating the next Interest Payment Date or Reset Date, as applicable, as the effective maturity of the Notes, rather than the relevant Maturity Date; and
- (ix) without prejudice to the obligations of the Issuer under this Condition 4(f), the Original Reference Rate and the other provisions in this Condition 4 will continue to apply for the purposes of determining the Rate of Interest (or the relevant component part thereof) on the relevant Interest Determination Date or Reset Determination Date (as applicable) (A) if the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser (if any)) is unable to or does not determine a Successor Rate or an Alternative Reference Rate or (in either case) the applicable Adjustment Spread in accordance with this Condition 4(f), and (B) if the Independent Adviser or, as the case may be, the Issuer does determine a Successor Rate or Alternative Reference Rate in

accordance with this Condition 4(f) but the Agent (if different from the Issuer) has not been notified of the Successor Rate or Alternative Reference Rate (as applicable), the applicable Adjustment Spread and any Benchmark Amendments in accordance with Condition 4(f)(vi) prior to the relevant Interest Determination Date or Reset Determination Date (as applicable). For the avoidance of doubt, this paragraph 4(f)(ix) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date or Reset Determination Date (as applicable) only, and the Rate of Interest applicable to any subsequent Interest Period(s) or Reset Period(s) (as applicable) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(f).

(x) For the purposes of these Conditions:

*"Adjustment Spread"* shall mean a spread (which may be positive, negative or zero) or formula or methodology for calculating a spread, which the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser (if any)), in each case acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (a) 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
- (b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser (if any)), in each case acting in good faith and in a commercially reasonable manner determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (c) if neither (a) nor (b) above applies, the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser (if any)), in each case acting in good faith and in a commercially reasonable manner determines as being 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 Reference Rate (as applicable); or
- (d) if none of (a), (b) or (c) above applies, the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser (if any)), in each case in its discretion and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

*"Alternative Reference Rate"* means the rate that the Independent Adviser or, as the case may be, the Issuer determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the same Specified Currency as the Notes and with an interest period or reset period (as applicable) of a comparable duration to the relevant Interest Period or relevant Reset Period (as applicable), or, if the Independent Adviser or, as the case may be, the Issuer determines that there is no such rate, such other rate as the Independent Adviser or, as the case may be, the Issuer determines in its discretion is most comparable to the Original Reference Rate.

*"Benchmark Event"* means, in respect of an Original Reference Rate:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist or be administered; or
- (b) the later of (I) a public statement by the administrator of the Original Reference Rate stating that it will, on or prior to a specified date, cease to publish 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) and (II) the date falling six months before the specified date referred to in (b)(I); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate stating that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (d) the later of (I) a public statement by the supervisor of the administrator of the Original Reference Rate stating that the Original Reference Rate will, on or prior to a specified date,

be permanently or indefinitely discontinued and (II) the date falling six months before the specified date referred to in (d)(I); or

- (e) the later of (I) a public statement by the supervisor of the administrator of the Original Reference Rate stating that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or prior to a specified date and (II) the date falling six months before the specified date referred to in (e)(I); or
- (f) it has, or will on or prior to the next Interest Determination Date or Reset Determination Period (as applicable), become unlawful for the Issuer, the Agent or any Calculation Agent specified in the applicable Final Terms, as the case may be, to calculate any payments due to be made to the Noteholders using the Original Reference Rate; or
- (g) the later of (I) a public statement by the supervisor of the administrator of the Original Reference Rate stating that the Original Reference Rate will, as of a specified date, no longer be representative of its relevant underlying market and (II) the date falling six months before the specified date referred to in (g)(I).

*"Independent Adviser"* means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer.

*"Original Reference Rate"* means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) applicable to the Notes in respect of any Interest Period(s) or Reset Period(s) as applicable (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate).

*"Relevant Nominating Body"* means, in respect of an Original Reference Rate:

- (a) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Original Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (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 the rate that the Independent Adviser or, as the case may be, the Issuer determines is a successor to, or replacement of, the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## **5. PAYMENTS**

### **(a) Method of payment**

Subject as provided below:

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

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 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) any law implementing an intergovernmental approach thereto.

**(b) Payments in respect of Notes**

Payment in respect of the Notes of principal and interest (i) in Euros will be (a) credited, according to the procedures and regulations of Interbolsa, T2 payment current accounts held in the payment system of T2 according to the applicable procedures and regulations of Interbolsa by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be and (ii) in currencies other than euros in respect of the Notes will be (a) transferred, on the payment date and according to the procedures and regulations applicable by Interbolsa, from the account held by the relevant Paying Agent in the Foreign Currency Settlement System (*Sistema de Liquidação em Moeda Estrangeira*), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter (b) transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of those Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be.

The holders of Notes are reliant upon the procedures of Interbolsa to receive payment in respect of Notes.

**(c) General provisions applicable to payments**

The Issuer will be discharged by payment to Interbolsa in respect of each amount so paid. Each of the entities shown in the records of Interbolsa as the beneficial holder of a particular nominal amount of Notes must look solely to Interbolsa for their share of each payment made by the Issuer to, or to the order of such entity.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**(d) Payment Day**

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "*Payment Day*" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;
- (ii) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and
- (iii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open and Interbolsa, CBL and/or Euroclear, as the case may be, are open for general business.

**(e) Interpretation of principal and interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes; and
- (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## **6. REDEMPTION AND PURCHASE**

### **(a) Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Senior Preferred Note, Senior Non-Preferred Note or Subordinated Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Subordinated Notes will have a minimum maturity of at least five years.

### **(b) Redemption for tax reasons**

#### *(i) Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes*

Subject to Condition 6(g), the Notes may be redeemed at the option of the Issuer in whole, but not in part, (but subject to Condition 6(k) in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes or Condition 6(l) in the case of Subordinated Notes) at any time (if such Note is not a Floating Rate Note) or on any Interest Payment Date (if such Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable), if:

- (A) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 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.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b)(i), the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (1) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b)(i) will be redeemed at their Early Redemption Amount referred to in Condition 6(g) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

#### *(ii) Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes*

This Condition 6(b)(ii) shall only apply in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes, if (in each case) the conditions set out in Condition 6(k) below have been satisfied, or Subordinated Notes, if the conditions set out in Condition 6(l) below have been satisfied.

In relation to any Series of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at their Early Redemption Amount as set out in the applicable Final Terms together with unpaid interest accrued to (but excluding) the date of redemption, at any time on the Issuer giving not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable) if, at any time



after the Issue Date, the Issuer would not be entitled to claim a deduction in computing taxation liabilities in respect of the next interest payment to be made on the Notes or the value of such deduction to the Issuer would be reduced (otherwise than because of a reduction in tax rates) in either case as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

Prior to the publication of any such notice of redemption as referred to in the previous paragraph, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (1) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem (including those set out in Condition 6(k) or Condition 6(l), as applicable) have occurred, and (2) an opinion of independent legal advisers of recognised standing to the effect that the conditions precedent to the right of the Issuer to so redeem have occurred (otherwise than because of a reduction in tax rates).

**(c) Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (but subject to Condition 6(k) in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes or Condition 6(l) in the case of Subordinated Notes), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed will be selected in accordance with the rules of Interbolsa.

**(d) Redemption due to an Eligible Liabilities Event**

This Condition 6(d) is applicable only in relation to Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, (but subject to Condition 6(k) in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes or Condition 6(l) in the case of Subordinated Notes) at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 15 nor more than 60 days' notice to Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (together with interest accrued (but unpaid) to the date fixed for redemption) if, at any time after the Issue Date, the Issuer determines that an Eligible Liabilities Event has occurred.

Subordinated Notes may be redeemed pursuant to this Condition 6(d) only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations (including, for the avoidance of doubt, Applicable MREL Regulations).

For the purposes of these Conditions:

*"Applicable MREL Regulations"* means at any time the laws, regulations, requirements, guidelines and policies then in effect in Portugal giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer or the Group, as applicable, including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to any MREL Requirement then in effect of the Relevant Authority and/or any regulation, directive or other binding rules, standards or decisions adopted by the institutions of the European Union (including, for the avoidance of doubt, CRD and the BRRD) and then in effect (whether or not such requirements, guidelines and policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

*"BRRD"* means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may come into effect in place thereof (or, as the case may be, any provision of Portuguese law or regulation transposing or implementing such Directive), as amended or replaced from time to time;

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

“*CRD Directive*” means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended or replaced from time to time;

“*CRD Implementing Measures*” means any regulatory capital rules implementing the CRD Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Relevant Authority, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or the Group (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital or the minimum requirement for own funds and eligible liabilities, as the case may be, of the Issuer (on a standalone basis) or the Group (on a consolidated basis);

“*Eligible Liabilities Event*” means:

- (i) in respect of Senior Preferred MREL Eligible Notes, the determination by the Issuer after consultation with the Relevant Authority that, as a result of a change in any Applicable MREL Regulations becoming effective on or after the Issue Date of the last Tranche of the Notes, all or any part of the Notes will not be eligible for inclusion in the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer, if the Group or the Issuer is then or, as the case may be, will be subject to such MREL Requirement; provided that an Eligible Liabilities Event shall not occur where such ineligibility for inclusion is or will be caused by (A) the remaining maturity of the relevant Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, (B) a subordinated requirement being applied by the Relevant Authority for such Notes to be eligible for inclusion in the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer, (C) the Notes being bought by or on behalf of the Issuer or any other member of the Group or (D) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded;
- (ii) in respect of Senior Non-Preferred Notes, the determination by the Issuer after consultation with the Relevant Authority that, as a result of a change in any Applicable MREL Regulations becoming effective on or after the Issue Date of the last Tranche of the Notes, all or any part of the Notes will not be eligible for inclusion in the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer, if the Group or the Issuer is then or, as the case may be, will be subject to such MREL Requirement; provided that an Eligible Liabilities Event shall not occur where such ineligibility for inclusion is or will be caused by (A) the remaining maturity of the relevant Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, (B) the Notes being bought by or on behalf of the Issuer or any other member of the Group or (C) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded; or
- (iii) in respect of Subordinated Notes, the determination by the Issuer after consultation with the Relevant Authority that, as a result of a change in any Applicable MREL Regulations becoming effective on or after the Issue Date of the last Tranche of the Notes, all or any part of the Notes will not fully qualify to comply with any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group or the Issuer, if the Group or the Issuer is then or, as the case may be, will be subject to such MREL Requirement; provided that an Eligible Liabilities Event shall not occur where such ineligibility for inclusion is or will be caused by (A) the remaining maturity of the relevant Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations or (B) the Notes being bought by or on behalf of the Issuer or any other member of the Group;

“*Group*” means the Issuer and its Subsidiaries taken as a whole;

“*MREL Requirement*” means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer and/or the Group; and

“*Subsidiary*” means in relation to any person (the “*first person*”) at any particular time, any other person (the “*second person*”):

- (i) whose affairs and policies the first person controls or has power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or

- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

**(e) Redemption due to a Capital Event**

This Condition 6(e) is applicable only in relation to Subordinated Notes.

Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, (but subject to Condition 6(l)) at any time (if this Subordinated Note is not a Floating Rate Note) or on any Interest Payment Date (if this Subordinated Note is a Floating Rate Note), on giving not less than 15 nor more than 60 days' notice to Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (together with interest accrued (but unpaid) to the date fixed for redemption) if, at any time after the Issue Date, the Issuer determines that a Capital Event has occurred.

Prior to the publication of any such notice of redemption as referred to in the previous paragraph, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem (including those set out in Condition 6(l) below) have occurred.

For the purposes of these Conditions, "*Capital Event*" means the determination by the Issuer after consultation with the Relevant Authority that all or any part of the Notes are not eligible for inclusion in the Tier 2 capital of the Group or the Issuer pursuant to Applicable Banking Regulations (other than as a result of any applicable limitation on the amount of such capital as applicable to the Group or the Issuer, as the case may be). For the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the CRR (or any equivalent or successor provision) shall not constitute a Capital Event.

**(f) Redemption at the option of the Noteholders (Investor Put)**

This Condition 6(f) is applicable only in relation to Senior Preferred Notes other than Senior Preferred MREL Eligible Notes.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Senior Preferred Note giving to the Issuer in accordance with Condition 11 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, such Senior Preferred Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Senior Preferred Note the holder of this Senior Preferred Note must, within the notice period, give notice to the Portuguese Paying Agent of such exercise in accordance with the standard procedures of Interbolsa in a form acceptable to Interbolsa from time to time (a "*Put Notice*") and, at the same time present or procure the presentation of a Certificate to the Portuguese Paying Agent.

Any Put Notice given by a holder of any Senior Preferred Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Preferred Note forthwith due and payable pursuant to Condition 9.

**(g) Early Redemption Amounts**

For the purpose of Condition 6(b) above and Condition 9:

- (i) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (ii) each Zero Coupon Note (subject to Condition 2(a) and Condition 6(k), in the case of Senior Preferred MREL Eligible Notes, Condition 2(b) and Condition 6(k), in the case of Senior Non-Preferred Notes, or to Condition 2(c) and Condition 6(l), in the case of Subordinated Notes), will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^Y$$

where:

"*RP*" means the Reference Price;

"*AY*" means the Accrual Yield expressed as a decimal; and

“y” is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of twelve months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

**(h) Purchases**

The Issuer or any Subsidiary of the Issuer (but subject to Condition 6(k) in the case of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes or Condition 6(l) in the case of Subordinated Notes) may purchase Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Subsidiary, cancelled by Interbolsa.

**(i) Cancellation**

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6(h) above cannot be reissued or resold.

**(j) Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 6(a), (b), (c), (d), (e) or (f) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(g)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

**(k) Further Provisions Applicable to Redemption and Purchases of Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes**

Notwithstanding the foregoing, the Issuer shall not be permitted to redeem or purchase any Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes issued by it prior to the Maturity Date unless the following conditions (in each case, if and to the extent then required by Applicable MREL Regulations) are satisfied:

- (A) the Issuer has given any requisite notice to the Relevant Authority and has obtained the Relevant Authority's prior permission or non-objection to the redemption or purchase (as the case may be) of the Notes; and
- (B) such redemption or purchase (as the case may be) is permitted by and complies with Applicable MREL Regulations.

**(l) Further Provisions Applicable to Redemption and Purchases of Subordinated Notes**

Notwithstanding the foregoing, the Issuer shall not be permitted to redeem or purchase any Subordinated Notes issued by it prior to the Maturity Date unless the following conditions (in each case, if and to the extent then required by Applicable Banking Regulations (including, to the extent applicable, Applicable MREL Regulations)) are satisfied:

- (A) the Issuer has given any requisite notice to the Relevant Authority and has obtained the Relevant Authority's prior permission or non-objection to the redemption or purchase (as the case may be) of the Notes;
- (B) such redemption or purchase (as the case may be) is permitted by and complies with Applicable Banking Regulations (including, to the extent applicable, Applicable MREL Regulations); and
- (C) in the case of any redemption of Notes pursuant to Condition 6(b) or Condition 6(e), the Issuer has demonstrated to the satisfaction of the Relevant Authority (1) that the circumstances giving

rise to the Capital Event or the right to redeem under Condition 6(e) were not reasonably foreseeable as at the Issue Date of the most recent Tranche of the Notes and that the change in the applicable regulatory classification is sufficiently certain, or (2) in the case of Condition 6(b), that the change in the applicable tax treatment is material and was not reasonably foreseeable as at the Issue Date of the most recent Tranche of the Notes.

## **7. TAXATION**

### **(a) Withholding**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Tax Jurisdiction unless such withholding or deduction is required by law or regulation. In such event, the Issuer will (subject to Condition 7(b)) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in relation to any payment in the absence of such withholding or deduction; except that no such additional amounts shall be payable:

- (i) to, or to a third party on behalf of, a Noteholder who is liable for such taxes or duties in respect of such Note by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note; and/or
- (ii) to, or to a third party on behalf of, a Noteholder in respect of whom the information required in order to comply with the Decree-Law 193/2005, of 7 November 2005, as amended (the “Decree-Law”), and any implementing legislation, is not received by no later than the second ICSD Business Day prior to Relevant Date, or which does not comply with the formalities in order to benefit from tax treaty benefits, when applicable; and/or
- (iii) to, or to a third party on behalf of, a Noteholder resident for tax purposes in the Tax Jurisdiction, or a resident in a tax haven jurisdiction as defined in Ministerial Order 150/2004, of 13 February 2004 (*Portaria do Ministro das Finanças e da Administração Pública n. 150/2004, as amended*) with the exception of (a) central banks and governmental agencies, as well as international institutions recognised by the Tax Jurisdiction, of those tax haven jurisdictions, and (b) tax haven jurisdictions which have a double taxation treaty in force or a tax information exchange agreement in force with Portugal; and/or
- (iv) to, or to a third party on behalf of (a) a Portuguese resident legal entity subject to Portuguese corporation tax (with the exception of entities that benefit from a waiver of Portuguese withholding tax or from Portuguese income tax exemptions) or (b) a legal entity not resident in Portugal acting with respect to the holding of the Notes through a permanent establishment in Portugal (with the exception of entities which benefit from a Portuguese withholding tax waiver); and/or
- (v) where such payment is into an account held on behalf of undisclosed beneficial owners where such beneficial owners are not disclosed for purposes of payment and such disclosure is required by law.

### **(b) Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes**

This Condition 7(b) shall only apply to Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes.

Notwithstanding Condition 7(a), any obligation to pay additional amounts provided for therein will be limited to payments of interest (and not, for the avoidance of doubt, to payment of principal or any other amounts) in respect of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes.

### **(c) Definitions**

For the purposes of this Condition 7:

“ICSD Business Day” means any day which:

- (i) is not a Saturday or Sunday; and
- (ii) is not 25 December or 31 December.

For the purposes of these Conditions:

“Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Portuguese Paying Agent on or prior to such due date,

it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 11.

“*Tax Jurisdiction*” means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax.

## **8. PRESCRIPTION**

Claims for principal and interest in respect of the Notes shall become void unless the relevant Certificates are surrendered within 20 years and 5 years respectively of the Relevant Date (as defined in Condition 7).

## **9. EVENTS OF DEFAULT**

### **(a) Senior Preferred Notes other than Senior Preferred MREL Eligible Notes**

This Condition 9(a) is applicable only in relation to Senior Preferred Notes which are not specified as being Senior Preferred MREL Eligible Notes in the applicable Final Terms.

If the Notes are specified as Senior Preferred Notes but are not specified as being Senior Preferred MREL Eligible Notes in the applicable Final Terms and any one or more of the following events (each an “*Event of Default*”) shall occur and be continuing:

- (i) the Issuer fails to make payment in the Specified Currency of any principal or interest due in respect of the Notes and such failure to pay continues, in the case of principal, for a period of 7 days or, in the case of interest, for a period of 14 days; or
- (ii) the Issuer defaults in the performance or observance of or compliance with any other obligation on its part in respect of the Notes and (except where such default is not capable of remedy, where no such notice shall be required) such default shall continue for a period of 30 days after written notice of such default shall have been given to the Issuer by a holder of the Note; or
- (iii) insolvency proceedings are commenced by a court against the Issuer, or the Issuer institutes such proceedings or suspends payments or offers or makes a general arrangement for the benefit of all its creditors; or
- (iv) any order shall be made by any competent authority or resolution passed for the dissolution of the Issuer, except a dissolution for the purposes of or pursuant to a reorganisation, merger, consolidation or amalgamation whereby the continuing entity or entity formed as a result of the reorganisation, merger, consolidation or amalgamation effectively assumes the entire obligations of the Issuer under the Notes; or
- (v) the repayment of any Indebtedness for Borrowed Money (as defined below) owing by the Issuer is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any Indebtedness for Borrowed Money or in the honouring of any guarantee or indemnity in respect of any Indebtedness for Borrowed Money provided that no such event referred to in this subparagraph (v) shall constitute an Event of Default unless the Indebtedness for Borrowed Money whether alone or when aggregated with other Indebtedness for Borrowed Money relating to all (if any) other such events which shall have occurred shall exceed EUR 25,000,000 (or its equivalent in any other currency or currencies),

then any holder of any such Senior Preferred Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any such Senior Preferred Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(g)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition 9(a):

“*Indebtedness for Borrowed Money*” means any present or future indebtedness for or in respect of (i) money borrowed, or (ii) any notes, bonds, debentures, loan stock or other securities offered, issued or distributed whether by way of public offer, private placement, acquisition consideration or otherwise and whether issued in cash or in whole or in part for consideration other than cash.

### **(b) Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes**

This Condition 9(b) is applicable only in relation to Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes.

(i) *Events of Default*

If the Notes are specified as Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes in the applicable Final Terms, any one or more of the following events shall constitute an “*Event of Default*”:

- (A) If default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Notes or any of them after the due date therefor, then any Noteholder may institute proceedings for the winding-up of the Issuer, but may take no other action in respect of such default.
- (B) If any order shall be made by any competent court or an effective resolution passed for the winding-up or dissolution of the Issuer (other than for the purposes of an amalgamation, merger or reconstruction on terms previously approved by an Extraordinary Resolution of the Noteholders), then any Noteholder may give notice to the Issuer and to the Agent at their respective specified offices, effective upon the date of receipt thereof by the Agent that the Notes held by such Noteholder(s) are, and they shall accordingly thereby forthwith become, immediately due and repayable at their Early Redemption Amount (as described in Condition 6(g)) together with accrued interest.

(ii) *Enforcement*

Without prejudice and subject to Condition 9(b)(i), and in accordance with and to the extent permitted by then applicable law, a Noteholder may at its discretion and without notice institute (or apply for the institution of) such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Notes (other than any payment obligation of the Issuer under or arising from the Notes, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations), provided that, in no event shall the Issuer be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions (other than in the circumstances described in Condition 9(b)(i)(B)). For the avoidance of doubt, nothing in this Condition 9(b)(ii) shall, however, prevent a Noteholder from instituting (or applying for the institution of) proceedings for the winding-up of the Issuer (in accordance with and to the extent permitted by then applicable law) and/or proving and/or claiming in any winding-up or dissolution proceedings of the Issuer in respect of any payment obligations of the Issuer arising from the Notes in the circumstances described in Condition 9(b)(i).

(iii) *Extent of Noteholders’ remedy*

No remedy against the Issuer, other than as referred to in this Condition 9(b), shall be available to the Noteholders, whether for the recovery of amounts owing in respect of the Notes or any breach by the Issuer of any of its other obligations under or in respect of the Notes.

## **10. PAYING AGENTS**

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
- (b) there will at all times be a Paying Agent in Portugal capable of making payment in respect of the Notes as contemplated by these terms and conditions of the Notes, the Agency Agreement and applicable Portuguese law and regulation.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(c). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 11.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## 11. NOTICES

All notices regarding the Notes will be deemed to be validly given on the date of such publication if published (i) in a leading newspaper of general circulation in Portugal (which is expected to be *Diário de Notícias*) or by any other way which complies with the Portuguese Securities Code and Interbolsa's rules on notices to investors, notably the disclosure of information through the CMVM official website ([www.cmvm.pt](http://www.cmvm.pt)), and (ii) if and for so long as the Notes are admitted to trading on, and listed on the official list of the Luxembourg Stock Exchange, and as long as the rules of such exchange so requires in a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, [www.luxse.com](http://www.luxse.com). It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt* or any other applicable leading daily newspaper having general circulation in Luxembourg. So long as the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer will also request that notices to holders of the Notes be published on the website of the Luxembourg Stock Exchange. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers, and, in the case of publication on the website of the Luxembourg Stock Exchange, on the date of such publication.

Notices to be given by any Noteholder shall be in writing and may be given to the Portuguese Paying Agent through Interbolsa in such manner as the Portuguese Paying Agent, the Agent and Interbolsa may approve for this purpose.

## 12. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

Meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation of any of these Terms and Conditions by Extraordinary Resolution (defined below) and the appointment or dismissal of a Common Representative are governed by the Portuguese Companies Code enacted by Decree-Law 262/86, of 2 September 1986, as subsequently amended (the "*Portuguese Companies Code*").

Meetings may be convened by the Common Representative (if any) or, if (i) no Common Representative has been appointed or (ii) if appointed, the relevant Common Representative has failed to convene a meeting, by the chairman of the general meeting of shareholders of the Issuer, and shall be convened if requested by Noteholders holding not less than 5 per cent. in principal amount of the Notes for the time being outstanding. The quorum required for a meeting convened to pass a resolution other than an Extraordinary Resolution will be any person or persons holding or representing Notes then outstanding, regardless of the principal amount thereof; and the quorum required for a meeting convened to pass an Extraordinary Resolution will be a person or persons holding or representing at least 50 per cent. of the Notes then outstanding or, at any adjourned meeting, any person or persons holding or representing any of the Notes then outstanding, regardless of the principal amount thereof.

The number of votes required to pass a resolution other than an Extraordinary Resolution is a majority of the votes cast at the relevant meeting; the majority required to pass an Extraordinary Resolution, including, without limitation, a resolution relating to the modification or abrogation of certain of the provisions of these Conditions, is at least 50 per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at the relevant meeting. Resolutions passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

"*Extraordinary Resolution*" means a resolution passed at a meeting of Noteholders in respect of any modification or abrogation of any Condition (including without limiting, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes).

The Agent and the Issuer, may agree, without the consent of the Noteholders to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes or Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.



Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 11 as soon as practicable thereafter. No modification to these Conditions or any provisions of the Notes shall become effective unless (if and to the extent required at the relevant time by the Relevant Authority) the Issuer shall have given such period of prior written notice thereof required by the Relevant Authority, to, and received prior permission or non-objection from, the Relevant Authority (provided that there is a requirement to give such notice and obtain such permission or non-objection).

In addition, the Issuer and the Agent shall, without the consent of the Noteholders, effect such consequential amendments to the Agency Agreement and/or these Conditions as may be required in order to give effect to the application of Condition 4(f).

### **13. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

### **14. GOVERNING LAW, SUBMISSION TO JURISDICTION AND ACKNOWLEDGEMENT OF PORTUGUESE STATUTORY LOSS ABSORPTION POWERS**

#### **(a) Governing law**

The Notes shall be construed in accordance with Portuguese law.

#### **(b) Submission to jurisdiction**

The Issuer agrees, for the exclusive benefit of the Noteholders that the courts of Portugal are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and that accordingly any suit, action or proceedings (together referred to as "*Proceedings*") arising out of or in connection with the Notes may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the Portuguese courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right 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 jurisdiction, whether concurrently or not.

#### **(c) Acknowledgement of Portuguese Statutory Loss Absorption Powers**

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 14(c) includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (i) to be bound by the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - (A) the reduction of all, or a portion, of the Amounts Due on a permanent basis;
  - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the 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 Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
  - (C) the cancellation of the Notes or Amounts Due; or
  - (D) 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

- (ii) 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.

Neither a reduction or cancellation of all or a portion of the Notes or the Amounts Due in respect of the Notes, or the conversion of all or a portion of the Notes or the Amounts Due in respect of the Notes into another security or obligation of the Issuer or another person, or the amendment or alteration of the maturity of the Notes, the Interest Amount payable in respect of the Notes or the date such Interest Amount becomes payable, in each case 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 the Bail-in Power by the Relevant Resolution Authority with respect to the Notes, will be an Event of Default or a default in payment for any purpose.

In these Terms and Conditions:

*“Amounts Due”* means the principal amount, together with any accrued but unpaid interest, and any additional amounts referred to in Condition 7(a), if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority;

*“Bail-in Power”* means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Portugal, relating to (A) the transposition of the BRRD, (B) 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) and (C) the instruments, rules and standards created thereunder, pursuant to which any obligation of certain entities as set out in such law, regulation, rules or requirements can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations; and

*“Relevant Resolution Authority”* means any authority lawfully entitled to exercise or participate in the exercise of any Bail-in Power from time to time.

## **15. COMMON REPRESENTATIVE**

The holders of the Notes shall at all times be entitled to appoint and dismiss a Common Representative by means of an Extraordinary Resolution. Upon the appointment of a new Common Representative by the holders of the Notes pursuant to this Condition, any previously appointed and dismissed Common Representative will immediately cease its engagement and will be under the obligation immediately to transfer to the new Common Representative appointed by the holders of the Notes all documents and information then held by such Common Representative pertaining to the Notes.

As used herein, *“Common Representative”* means a law firm, a chartered accountant’s firm, a financial intermediary, an entity authorised to perform investors representation services in any EU Member State or an individual person with full legal capacity (which is not a holder of Notes), which may be appointed by the holders of Notes under Article 358 of the Portuguese Companies Code.

### **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## IMPORTANT DEFINITIONS

"BST", the "Bank" or "the Issuer"	Banco Santander Totta, S.A.
"BST Group" (as used in the sections entitled, "Description of BST" and "Business of BST")	Banco Santander Totta, S.A., its consolidated subsidiaries and the holding company, Santander Totta, SGPS, S.A.
"BTA"	Banco Totta & Açores, S.A.
"BTA Group"	BTA and its consolidated subsidiaries
"SGPS"	Santander Totta, SGPS, S.A.

## DESCRIPTION OF BST

### Legal and Commercial name of the Issuer

The legal name of the Issuer is Banco Santander Totta, S.A. and its most frequent commercial name is “Santander Totta”.

### Incorporation, registration, legal form, head office and contacts of the Issuer, legislation that governs the Issuer's activity and website of the Issuer

Banco Santander Totta, S.A. is a limited liability company (*sociedade anónima*) incorporated under the laws of Portugal with a registered and fully paid up share capital of EUR 1,391,779,674.00, represented by 1,391,779,674 ordinary shares with a nominal value of EUR 1.00 each, and registered with the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 500 844 321. BST's head office is at Rua Áurea, No. 88, in Lisbon, Portugal, and the telephone number of its head office is +351 21 326 2031. The Issuer was registered by deed on 19 December 2004. The Issuer is a credit institution whose activities are regulated by the RGICSF and is subject to the Portuguese Companies Code (approved by Decree-Law No. 262/86, of 2 September 1986, as amended).

The Legal Entity Identifier (LEI) code of the Issuer is 549300URJH9VSI58CS32.

The Issuer's website is [www.santander.pt](http://www.santander.pt). The information on the website does not form part of this Base Prospectus, and has not been scrutinised or approved by the CSSF, unless that information is expressly incorporated by reference into this Base Prospectus.

### Business overview

BST's commercial banking business is managed through its retail network. The investment banking and investment funds businesses of BST, formerly managed through Banco Santander de Negócios Portugal, S.A. (“BSN”), are now directly managed by BST, following BST's merger with BSN in May 2010. The specialised credit business (including leasing, factoring and consumer credit) is also directly managed by BST, following BST's merger with Totta – Crédito Especializado, Instituição Financeira de Crédito, S.A. on 1 April 2011. The strategy of the BST Group is to position itself as a full service bank offering customers a full range of banking products.

The commercial banking business is divided into four core customer/business areas:

- (i) individuals and self-employed;
- (ii) small and medium-sized businesses;
- (iii) corporate and institutional customers; and
- (iv) high net worth individuals.

As at 31 December 2023, the Issuer had a domestic network of 332 branches (compared to 339 in 31 December 2022). BST has subsidiaries and representative offices abroad, as well as investments in subsidiaries and associated companies.

### History of BST

Following an agreement entered into on 7 April 2000 between Banco Santander Central Hispano (“BSCH”), Mr. António Champalimaud (the former controlling shareholder of Banco Totta & Açores (“BTA”)) and CGD, the Issuer acquired a controlling interest of 94.68 per cent. in BTA and of 70.66 per cent. in Crédito Predial Português (“CPP”). In June 2000, through its associate Santusa Holding, S.L. (“Santusa, BSCH”), the Issuer made a public acquisition offer for all of the outstanding shares of BTA and CPP. In December 2000, following a capital increase of BTA and the restructuring of the investments of the BST Group in Portugal, BTA became the head of the BTA Group, which, in addition to CPP, comprised Banco Santander Portugal (“BSP”) and BSN. The first complete year under the BST Group structure was 2001.

The Issuer was established following a corporate restructuring process completed in December 2004, which merged the commercial banks within the BST Group in Portugal (namely, BTA, CPP and BSP) into a single legal entity. The outcome was a holding company (SGPS), holding the commercial bank, the Issuer and the investment bank BSN. The restructuring process was approved by the Bank of Portugal and at the General Meetings of Shareholders of BTA, CPP and BSP on 15 October 2004, with the granting and filing of the deed completed on 19 December 2004.

The restructuring involved an internal reorganisation of the BST Group in Portugal and resulted in BTA transferring, by operation of the merger, all of its assets into the Issuer, which assumed all BTA's obligations by operation of law.

In May 2010, BSN was incorporated into the Issuer following a merger process initiated in 2009 and, as a result, the share capital of the Issuer increased from EUR 589,810,510.00 to EUR 620,104,983.00. In August 2010, the Issuer announced its intention to carry out a merger with Totta – Crédito Especializado, Instituição Financeira de Crédito, S.A., thus concentrating in the Issuer all lending activity currently developed by the merging entities. A preliminary project for the acquisition of the shares and the envisaged merger was presented to the Bank of Portugal in the terms set forth in the law.

In this context, and following a shareholders' resolution, on 18 March 2011, the Issuer announced the decision to increase its share capital to EUR 656,723,284.00 by means of contributions in kind (*entradas em espécie*), which would be performed by SGPS through the transfer of 5,750,322 shares representing the share capital of Totta – Crédito Especializado, Instituição Financeira de Crédito, S.A., to which it attributed the global value of EUR 66,304,973.91. To complete this transaction, 36,618,301 new shares representing the share capital of the Issuer, with the nominal value of EUR 1 each and with an issue premium per share of EUR 0.8107059066, corresponding to the relevant share capital increase, were issued. In addition, the holders of the notes issued by the Issuer, who met to decide on the aforementioned merger, decided not to oppose such merger on 21 March 2011. The share capital increase was filed with the Commercial Registry Office on 24 March 2011 and the merger was completed on 1 April 2011 in the terms described above.

On 20 December 2015, following the resolution measure applied to Banif by the Bank of Portugal, the Issuer acquired a set of rights and obligations, comprised of assets, liabilities, off balance sheet items and assets under the management of Banif, as listed in the resolution passed by the Bank of Portugal in that respect, in the amount of EUR 150 million.

On 8 January 2016 and 28 March 2016, the Issuer registered with the competent Commercial Registry Office its share capital increases of EUR 300,000,000 on each such date, first from EUR 656,723,284.00 to EUR 956,723,284.00 and then from EUR 956,723,284.00 to EUR 1,256,723,284.00, through the issue of ordinary book-entry and nominative shares with the nominal value of EUR 1 each. These share capital increases were reserved to BST's shareholders and resulted in a total increase of BST's share capital to EUR 1,256,723,284.00.

On 30 December 2016, BST completed the acquisition of Gamma – Sociedade de Titularização de Créditos, S.A., a securitisation company registered with the CMVM under number 9152, after having submitted this transaction to the competent authorities and having obtained the necessary authorisations.

On 24 May 2022, BST registered with the competent Commercial Registry Office its share capital increase of EUR 135,056,390.00, from EUR 1,256,723,284.00 to EUR 1,391,779,674.00.

The Issuer is the parent company to various subsidiaries and its financial results are thus affected by the cash flows and dividends of these subsidiaries.

As at the date of this Base Prospectus, the majority shareholders of the Issuer are:

Shareholder	No. of shares	%
Santander Totta, SGPS, S.A.	1,376,219,267	98.882%
Taxagest - SGPS, S.A.	14,593,315	1.05%

Santander Totta, SGPS, S.A. directly holds approximately 98.882 per cent. of the Issuer. Santander Totta, SGPS, S.A. is fully owned directly by Banco Santander, S.A. and TaxaGest – SGPS, S.A. is fully owned indirectly by Banco Santander, S.A. Therefore, BST is indirectly owned by Banco Santander, S.A.

Notwithstanding the above, and subject to certain conditions precedent, including obtaining the applicable prior authorisations from the ECB, on 18 March 2024, the Issuer's Board of Directors approved (i) a simplified merger project, which envisages a merger by incorporation in the Issuer of Taxagest - SGPS, S.A. and (ii) a simplified merger project, which envisages a merger by incorporation in the Issuer of SGPS. As such, it is expected that the Issuer's corporate organisation/structure, as at the date of this Base Prospectus, will undergo substantial changes in the near future.

There are no specific mechanisms in place to ensure that control over the Issuer is not abusively exercised. Risk of abusive control is, in any case, mitigated by the existence of an Audit Committee and an Auditor, as described herein.

The Issuer, as (i) a credit institution and (ii) a financial intermediary (i.e., an entity which provides investment services/activities and ancillary services) and an issuer of securities admitted to trading on a Portuguese regulated market, is subject to the supervision of, respectively, (i) the Bank of Portugal and (ii) the CMVM, which, among other regulatory areas, supervise the acquisition and disposal of substantial holdings in the Issuer.

The Issuer is managed by a Board of Directors (*Conselho de Administração*) elected at the General Meeting of Shareholders for a three-year period and each of its members is bound by duties of loyalty and care with a view to safeguarding the interests of all stakeholders (in accordance with the Portuguese Commercial Companies Code – Article 64 – and the RGICSF – Article 75). The business address for each of the members of the Management and Statutory Bodies of BST is Rua Áurea, No. 88, 1100-063 Lisbon, Portugal.

#### **Governing Bodies of BST for the 2022-2024 term of office**

On 23 November 2021, the General Meeting of Shareholders approved the election of corporate officers for the 2022-2024 term of office.

The Governing Bodies of BST, authorised on 3 May 2022, for the 2022-2024 term of office, are:

##### **Board of the General Meeting**

Chairman	António Maria Pinto Leite
Deputy-chairman	Ricardo Andrade Amaro
Secretary	Bruno Miguel dos Santos de Jesus

##### **Board of Directors**

Chairman	José Carlos Brito Sítima
Deputy-Chairman	Pedro Aires Coruche Castro e Almeida
Members	Amílcar da Silva Lourenço
	Ana Isabel Abranches Pereira de Carvalho Morais
	Cristina Alvarez Alvarez
	Daniel Abel Monteiro Palhares Traça
	João Pedro Cabral Tavares
	Isabel Cristina da Silva Guerreiro
	Manuel António Amaral Franco Preto
	Manuel Maria de Olazábal y Albuquerque
	Maria Manuela Machado Costa Farelo Ataíde Marques
	Miguel Belo de Carvalho
	Remedios Ruiz Maciá
	Ricardo Lopes da Costa Jorge

##### **Audit Committee**

Chairwoman	Ana Isabel Abranches Pereira de Carvalho Morais
Members	Daniel Abel Monteiro Palhares Traça

João Pedro Cabral Tavares  
Manuel Maria de Olazábal y Albuquerque  
Maria Manuela Machado Costa Farelo Ataíde Marques

##### **Auditors**

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., represented by José Manuel Henriques Bernardo.

#### Executive Committee

Chairman	Pedro Aires Coruche Castro e Almeida
Deputy-Chairman	Manuel António Amaral Franco Preto
Members	Amílcar da Silva Lourenço
	Isabel Cristina da Silva Guerreiro
	Miguel Belo de Carvalho
	Ricardo Lopes da Costa Jorge

#### Company Secretary

Full Secretary	Bruno Miguel dos Santos de Jesus
Alternate Secretary	Marta Maria Appleton de Serpa Pimentel Marques

#### Risk Committee

Chairman	Manuel Maria de Olazábal Albuquerque
Members	Daniel Abel Monteiro Palhares Traça
	João Pedro Cabral Tavares
	Maria Manuela Machado Costa Farelo Ataíde Marques
	Remedios Ruiz Maciá

#### Remuneration Committee

Chairman	João Pedro Cabral Tavares
Members	Daniel Abel Monteiro Palhares Traça
	Remedios Ruiz Maciá
	Manuel Maria de Olazábal y Albuquerque
	Maria Manuela Machado Farelo Ataíde Marques

#### Nomination Committee

Chairman	Daniel Abel Monteiro Palhares Traça
Members	Ana Isabel Abranches Pereira de Carvalho Morais
	Cristina Alvarez Alvarez
	João Pedro Cabral Tavares
	Manuel Maria de Olazábal y Albuquerque

#### Remuneration Board

Chairwoman	Maria Alexandra Teixeira Peres Brandão Palma Cavaco
Member	Javier Roglá Puig

#### Relevant activities of directors outside BST

	Within the consolidation perimeter	Outside the consolidation perimeter
Amílcar da Silva Lourenço	-	COTEC Portugal - Associação Empresarial para a Inovação (Member of the general council, on behalf of BST); CIP – Confederação Empresarial de Portugal (Deputy Chairman of the General Council on behalf of



			BST)
<b>José Carlos Brito Sítima</b>	Santander Totta SGPS, S.A. (Chairman of the Board of Directors)		Câmara de Comércio e Indústria Luso Espanhola (Non-Executive Board Member, on behalf of BST)
<b>Ana Isabel Abranches Pereira de Carvalho Morais</b>	-		Instituto Superior de Economia e Gestão (Member of the Scientific Board and full professor); EPAL, Empresa Portuguesa das Águas Livres (Chairwoman of the Supervisory Board); Águas do Vale do Tejo, S.A. (Chairwoman of the Supervisory Board); Comissão de Normalização Contabilística (Member of the General Council, as “person of recognised merit” e Deputy Chairwoman); IDEFE – Instituto para o Desenvolvimento e Estudos Económicos, Financeiros e Empresariais, S.A.   ISEG Executive Education (Executive member of the Board of Directors)
<b>Manuel António Franco Preto</b>	Santander Totta SGPS, S.A. (Executive Board Member); Taxagest - Sociedade Gestora de Participações Sociais, S.A. (Chairman of the Board of Directors); Santander Totta Seguros - Companhia de Seguros de Vida, S.A. (Chairman of the Salaries Committee), Banco Santander, S.A. (Regional Head of Financial Accounting & Control Europe)	-	
<b>Manuel Maria de Olazábal y Albuquerque</b>		-	
<b>Pedro Aires Coruche Castro e Almeida</b>	Santander Totta SGPS (Deputy Chairman of the Board of Directors; Chairman of the ExCo (CEO)); Banco Santander, S.A. (Regional Head of Europe)		Centro Paroquial São Francisco de Paula (Non-Executive Director); ISEG (School Council Member); Fundação Alfredo de Sousa (Board of Trustees Member, on behalf of BST); Associação Portuguesa de Bancos (Member of the Board,

		on behalf of BST); BRT Associação Business Roundtable Portugal (associate on behalf of BST); The Trilateral Commission (European Group Member); Santander UK Group Holding, plc (Non-Executive Member of the Board of Directors); Santander UK, plc (Non-Executive Member of the Board of Directors); PagoNxt (Non-Executive Member of the Board of Directors)
<b>Isabel Cristina da Silva Guerreiro</b>	-	Santander Bank Polska, S.A. (Supervisory Board Non-Executive Member and Lead Group Director)
<b>Maria Manuela Machado Costa Farelo Ataíde Marques</b>	-	Gerefinança - Consultores de Gestão, Lda (Manager); European Money Markets Institute (Non-Executive Board Member   Supervisory and Risk Board Member)
<b>Miguel Belo de Carvalho</b>	Santander Totta SGPS, S.A. (Executive Member of the Board of Directors); Fundação Santander Portugal (Chairman of the Board of Trustees)	Universidade Lusíada – Faculdade de Ciências da Economia e da Empresa (Advisory Council Member)
<b>Daniel Abel Monteiro Palhares Traça</b>	-	Nova School of Business and Economics (on leave)
<b>Remedios Ruiz Maciá</b>	Banco Santander, S.A. (CRO Global Cards & Digital Solutions)	UCI SA (Non-Executive Board Member, Audit and Risk Committee Member, on behalf of BST); UCI, SA, EFC (Non-Executive Board Member); Tresmares Capital Corporate SL (Non-Executive Board Member, on behalf of BST); Deva Capital Holding Company, SL   Deva Capital Management Company, SL (Non-Executive Board Member); Servicios de Cobranza, Recuperación y Seguimiento, SA de CV (SECORSE) (Alternate Non-Executive Board Member, on behalf of Deva Capital Servicer Company, S.L.U.); Cobranza

		Amigable SAPI de CV (Alternate Non-Executive Board Member)
<b>Cristina Alvarez Alvarez</b>	Banco Santander, S.A. (Head of T&O Europe e Espanã)	Santander Global Technology and Operations, SL (Non-Executive Board Member); AEDAS HOMES (Non-Executive Board Member, and Chairwoman of the Technology, Innovation and Cybersecurity Committee); IE Business School (Senior Advisory); Santander de Titulización, S.G.F.T, S.A. (Non-Executive Board Member)
<b>João Pedro Cabral Tavares</b>	Fundação Santander Portugal (Non-Executive Member of the Board of Directors)	AGEGE – Associação Cristã de Empresários e Gestores (Non-Executive Chairman); IES – Social Business School (Non-Executive Chairman); Fundação Gaudium Magnum – Maria e João Cortez de Lobão (Non-Executive Board Member); Fundação Calouste Gulbenkian (Advisor to the Board of Directors); AICD – Associação Para Inserção por Centros Digitais de Informação (Member of the Strategic Board); C-More Sustainability, Lda (Senior Advisory); Fundação Gonçalo Silveira (Member of the board of trustees do Conselho de Curadores)
<b>Ricardo Lopes da Costa Jorge</b>	Banco Santander, S.A. Business Channel Leads de SMEs – PJ Channel	SIBS SGPS, S.A. (Non-executive Member of the Board of Directors on behalf of BST); SIBS Forward Payment, Solutions, S.A. (Non-executive Member of the Board of Directors, on behalf of BST); Católica Lisbon School of Business & Economics, Universidade Católica Portuguesa (Guest Professor); UNICRE – Instituição Financeira de Crédito, S.A. (Member of the Shareholders Committee for Monitoring Activity and Business)

## **Employees**

In Portugal, certain terms and conditions of employment in the banking sector are negotiated with trade unions and wage negotiations occur on an industry-wide basis. The Issuer has not experienced any material labour problems and it believes that its relations with its employees are generally satisfactory. The main objectives of the BST Group's staff management programme are directed at creating and improving team spirit through, among other measures, recruitment, a training plan and early retirement schemes.

## **Material Contracts**

As at the date of this Base Prospectus, there are no material contracts that are reasonably likely to have a material effect on this Base Prospectus.

## **Conflicts of Interest**

The members of the Board of Directors, the Executive Committee, the General Meeting or the Audit Board of BST do not have any conflicts, or any potential conflicts, between their duties to BST and their private interests or other duties.

## **Recent Developments**

On 26 May 2023, BST informed the market of Moody's rating decision, which upgraded the long-term debt rating of BST to "Baa1".

On 19 June 2023, BST informed the market of the Bank of Portugal's notification about the decision of the Single Resolution Board on the determination of its and Santander SPGS's MREL requirements. According to such notification, as of 1 January 2024, BST has to comply with 17.92 per cent. in terms of TREA and 5.91 per cent. in terms of LRE, respectively, and on an individual basis.

On 3 July 2023, BST informed the market of Fitch's rating decision, which (i) upgraded its long-term senior debt and deposit ratings to "A", maintaining a stable outlook and (ii) confirmed its issuer default rating at "A-" with a stable outlook.

On 4 September 2023, BST informed the market of the placement with institutional investors of an issue of Covered Bonds (Premium) in the amount of €850 million, with maturity in September 2026 and a fixed coupon of 3.750 per cent., under its Covered Bonds Programme and the settlement occurred on 11 September 2023.

On 22 November 2023, BST informed the market that Moody's had (i) upgraded its deposit risk rating from "A3" to "A2" with "stable" outlook, (ii) raised the covered bonds ratings from "Aa2" to "Aaa", and (iii) reaffirmed the rating of its senior unsecured programme at "Baa1".

On 22 November 2023, BST also informed the market that its shareholder, Santander Totta, SGPS, S.A. was notified by the Bank of Portugal of the decision to implement a reserve for sectoral systemic risk, which aims to reinforce the resilience of the banking sector against a potential deterioration in economic conditions and/or unexpected significant correction in residential property prices. The reserve for sectoral systemic risk complements the current prudential recommendation and consists of a preventive measure to address the possible materialisation of potential risks. The Bank of Portugal's decision translates into the requirement to comply with a reserve for sectoral systemic risk of 4 per cent. on the amount of risk exposures of the retail portfolio of loans to individuals collateralised by residential properties located in Portugal, as from 1 October 2024. In its announcement, BST also informed that it considers that this measure will have no impact on the strategy and development of its own funds.

On 22 November 2023, BST informed the market that Moody's has upgraded its long term rating to "Baa1" with stable outlook.

On 12 December 2023, BST informed the market of the decision served by the ECB regarding minimum prudential requirements, to be fulfilled in 2024 on a consolidated basis by SGPS. As of 2024, the minimum own funds requirements to be observed from the referred date, calculated as a ratio of total RWA, are as follows:

	2024	Pillar 1	Pillar 2	Buffers
CET1	8.428%	4.500%	0.928%	3.00%
T1	10.238%	6.000%	1.238%	3.00%
Total	12.650%	8.000%	1.650%	3.00%

The buffers include the capital conservation buffer (2.5 per cent.) and the O-SII buffer (0.5 per cent.). In 2024, the Pillar 2 requirement, defined under SREP, is set at 1.65 per cent. Considering the capital ratios calculated as at 30 September 2023, SGPS complies with the new minimum capital requirements for CET1, Tier 1 and total ratios.

On 6 March 2024, BST informed the market that S&P has upgraded its long term rating from “BBB+” to “A-” with positive outlook.

On 18 March 2024, BST informed the market that its Board of Directors had approved on that same date (i) a simplified merger project envisaging a merger by incorporation in the Bank of its subsidiary TaxaGest – SGPS, S.A., to be carried out through the global transfer of TaxaGest – SGPS, S.A.’s estate to the Bank; and (ii) a simplified merger project, envisaging the merger by incorporation in the Bank of SGPS, to be carried out through the global transfer of SGPS’s estate to BST. The simplified merger projects were also approved on the same date by the Boards of Directors of TaxaGest – SGPS, S.A. and SGPS.

## **Economic and Financial Information in 2022 and 2023**

### **Consolidated Business**

#### ***Introduction***

For the year ending 31 December 2023, the consolidated net income attributable to BST shareholders was EUR 931.4 million, an increase of 58.8 per cent. compared to the EUR 586.6 million registered in the year ending 31 December 2022.

As at 31 December 2023, the efficiency ratio stood at 26.0 per cent., a decrease of 10.3 p.p. since December 2022, reflecting increased revenues, greater operational efficiency, and lower customer service costs, achieved as part of the continuous commercial and digital transformation process, with strict control over operational costs.

Loans and advances to customers (gross) amounted to EUR 44.6 billion as at 31 December 2023, an increase of 3 per cent. compared to the same period last year. Loans to individuals decreased by 4.7 per cent. and loans to companies increased by 13.7 per cent. since 31 December 2022. The non-performing exposure ratio stood at 1.7 per cent. as at 31 December 2023, with provisions coverage of 89.2 per cent.

As at 31 December 2023, customer’s resources totalled EUR 43.7 billion, a decrease of 5.7 per cent. year-on-year, determined by a 8.8 per cent. decrease in deposits and an increase of 11.1 per cent. year-on-year in off-balance sheet resources.

In 2023, the funding obtained from the ECB, in the amount of EUR 0.7 billion, was based entirely on long-term operations, through TLTRO III. Net exposure to the Eurosystem stood at EUR -4.9 billion (a surplus position). Long-term financing also included EUR 3.6 billion of mortgage bonds (EUR 0.75 billion issued in April 2023, and EUR 0.85 billion issued in September 2023), EUR 0.65 billion of senior non-preferred issuances, EUR 1.0 billion of securitisations, EUR 0.3 billion of credit linked notes, EUR 0.3 billion of subordinated issuances, and EUR 0.4 billion of interbank operations with repurchase agreements.

Short-term financing included interbank operations with repurchase agreements, amounting to EUR 4.1 billion.

In 2023, the LCR, calculated in accordance with the CRD IV rules, stood at 136.2 per cent., meeting the regulatory requirement on a fully-implemented basis.

## Results

<b>CONSOLIDATED INCOME STATEMENTS</b> (million euro)	<b>Dec-23</b>	<b>Dec-22</b>	<b>Var.</b>
<b>Net interest income</b>	<b>1,481.3</b>	<b>779.3</b>	<b>+90.1%</b>
Income from equity instruments	1.7	3.8	-55.8%
Results from associates	0.0	5.1	-100.0%
Net fees	457.0	475.6	-3.9%
Other operating results	6.5	9.4	-30.6%
<b>Commercial revenue</b>	<b>1,946.5</b>	<b>1,273.2</b>	<b>+52.9%</b>
Gain/losses on financial assets	71.7	88.3	-18.8%
<b>Net income from banking activities</b>	<b>2,018.2</b>	<b>1,361.5</b>	<b>+48.2%</b>
Administrative expenses	(464.5)	(433.4)	+7.2%
Staff expenses	(284.3)	(261.0)	+8.9%
Other administrative expenses	(180.2)	(172.4)	+4.5%
Depreciation	(54.3)	(45.3)	+19.9%
Cash contributions to resolution funds and deposit guarantee schemes	(23.9)	(41.7)	-42.6%
<b>Net operating income</b>	<b>1,475.5</b>	<b>841.2</b>	<b>+75.4%</b>
Impairment, net provisions and other results	(125.2)	12.6	-1,092.9%
<b>Income before taxes and non-controlling interests</b>	<b>1,350.3</b>	<b>853.8</b>	<b>+58.2%</b>
Taxes	(418.9)	(267.2)	+56.7%
<b>Income after taxes and before non-controlling interests</b>	<b>931.4</b>	<b>586.6</b>	<b>+58.8%</b>
Non-controlling interests	0.0	-	-
<b>Consolidated net income attributable to BST shareholders</b>	<b>931.4</b>	<b>586.6</b>	<b>+58.8%</b>

Net interest income amounted to EUR 1,481.3 million at the end of 2023, a 90.1 per cent. increase when compared to the preceding year. The favourable impact of the interest rate path on the credit portfolio more than offset the greater demand for housing credit at mixed rates, the competitive environment which, in a context of high liquidity in the banking system, put downward pressure on credit spreads, the fact that the ECB no longer remunerated minimum mandatory reserves, the expiration of part of the financing obtained from the ECB under TLTRO III, which was replaced by the issuance of bonds and by interbank financing, and the gradual transfer from the rise in EURIBOR interest rates to the remuneration of deposits.

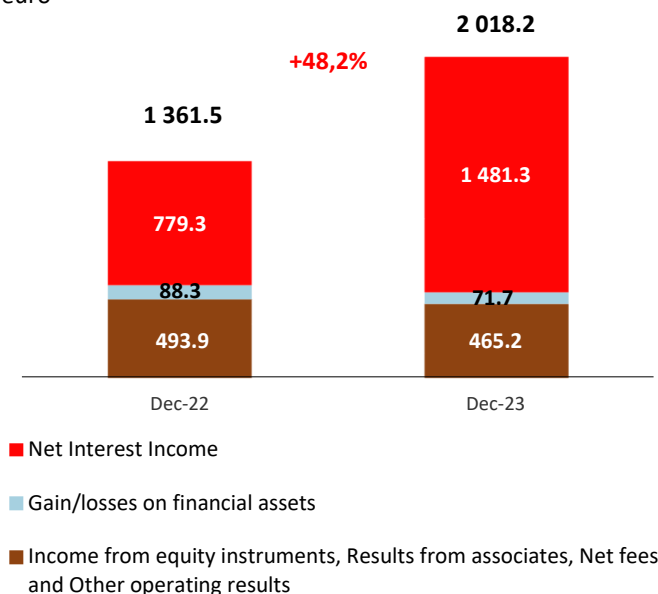
Net fees stood at EUR 457.0 million, a decrease of 3.9 per cent. compared to 2022. The favourable performance of financial advisory fees stood out, although mitigated by lower fees associated with credit (due to the decrease in the volume of new credit production, especially mortgage credit, in a context of impacts on household budgets, inflation and higher interest rates, plus regulatory changes, which exempted some loans from certain fees), means of payment (influenced by the intra-group operation of the transmission of the automatic payment service, at the end of 2022, although with a positive evolution in customer transactions through the growth of fees for payment operations and transfers with cards), funds and insurance. Other operating results amounted to EUR 6.5 million, 30.6 per cent. less than the results registered for the same period last year, impacted by the lower income from property management. Commercial revenue, in the amount of EUR 1,946.5 million, increased 52.9 per cent. in relation to the amount registered in 2022.

As at 31 December 2023, Gain/Losses on financial assets amounted to EUR 71.7 million, compared to EUR 88.3 million in the previous year, a decrease of 18.8 per cent. including the income generated in the management of the public debt portfolio.

Net income from banking activities amounted to EUR 2,018 million in December 2023, an increase of 48.2 per cent. when compared to the amount registered at the end of December 2022.

### NET INCOME FROM BANKING ACTIVITIES

million euro



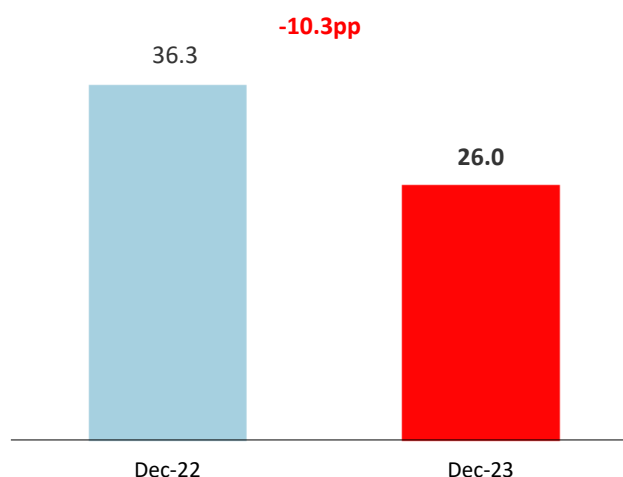
Operating costs amounted to EUR 518.8 million in 2023, registering a 8.4 per cent. increase compared to the previous year.

OPERATING COSTS (million euro)	Dec-23	Dec-22	Var.
Staff expenses	(284.3)	(261.0)	+8.9%
Other administrative expenses	(180.2)	(172.4)	+4.5%
Depreciation	(54.3)	(45.3)	+19.9%
<b>Operating costs</b>	<b>(518.8)</b>	<b>(478.7)</b>	<b>+8.4%</b>
<b>Efficiency ratio</b>	<b>26.0%</b>	<b>36.3%</b>	<b>-10.3 p.p.</b>

At the end of 2023, the efficiency ratio stood at 26.0 per cent., which corresponds to a decrease of 10.3 p.p. compared to the 36.3 per cent. registered in the previous year, reflecting increased revenues, greater operational efficiency, and lower customer service costs, as part of the continuous commercial and digital transformation process, with strict control over operational costs.

## EFFICIENCY RATIO

%



In 2023, the cash contributions to resolution funds and deposit guarantee schemes amounted to EUR 23.9 million, a decrease of 42.6 per cent. compared to the EUR 41.7 million incurred in the previous year.

Net operating income amounted to EUR 1,475.5 million in 2023, a 75.4 per cent. year-on-year increase.

Impairment, net provisions and other results recorded an amount of EUR -125.2 million at the end of 2023, compared to the EUR 12.6 million registered in the same period of the previous year.

In 2023, net impairment on financial assets at amortised cost totalled EUR -73.3 million, compared to the EUR 12.0 million recorded in the previous year, reflecting the conservative credit risk control policy, in a context of higher inflation and higher interest rates, and consequent higher cost of credit, plus a moderate increase in the unemployment rate, compounded by geopolitical uncertainty.

The regulatory cost with the Banking Sector Contribution and Solidarity Tax on the banking sector, in the amount of EUR 38.3 million, increased by 6.8 per cent. in 2023, compared to the EUR 35.9 million registered in 2022.

In 2023, income before taxes and non-controlling interests amounted to EUR 1,350.3 million, a 58.2 per cent. increase compared to the amount registered in the same period in 2022.

Taxes amounted to EUR 418.9 million in 2023, a 56.7 per cent. increase compared to the amount registered in the same period in 2022.

Consolidated net income attributable to BST shareholders amounted to EUR 931.4 million in 2023, a 58.8 per cent. year-on-year increase.

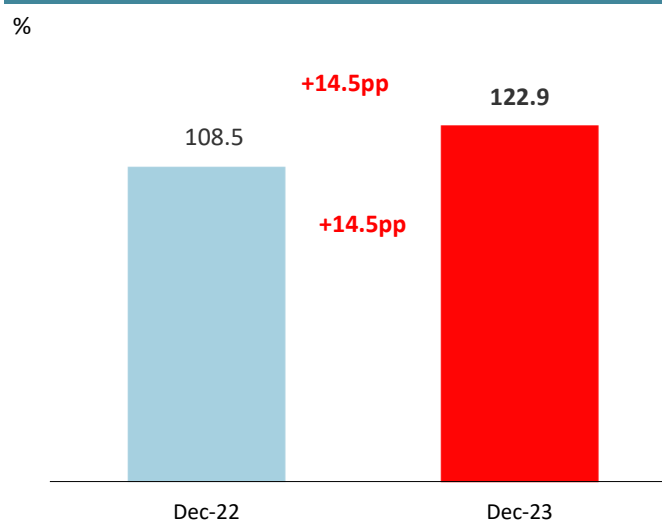
### Balance Sheet and Activity

At the end of 2023, business volume amounted to EUR 88.3 billion, a 1.5 per cent. decrease compared to the amount recorded in 2022, due to the 5.7 per cent. drop in customer's resources and 3.0 per cent. increase in loans and advances to customers (gross).

The Loans/Deposits ratio, measured by the ratio of loans and advances to customers (net) to deposits, stood at 122.9 per cent. in December 2023, 14.5 per cent. more than in the same period last year.



### LOAN / DEPOSITS RATIO (Transformation ratio)



In 2023, loans and advances to customers (gross) amounted to EUR 44.6 billion, up 3 per cent. compared to the same period in 2022, with loans to corporates and institutions increasing by 13.7 per cent., and loans to individuals dropping by 4.7 per cent.

LOANS (million euro)	Dec-23	Dec-22	Var.
Loans and advances to customers (gross)	44,586	43,303	+3.0%
<i>of which</i>			
Loans to individuals	24,108	25,290	-4.7%
<i>of which</i>			
Mortgage	22,035	23,117	-4.7%
Consumer	1,789	1,820	-1.7%
Loans to corporates and institutions	20,478	18,014	+13.7%

Note: Loans to corporates include credits to institutions and public administrations

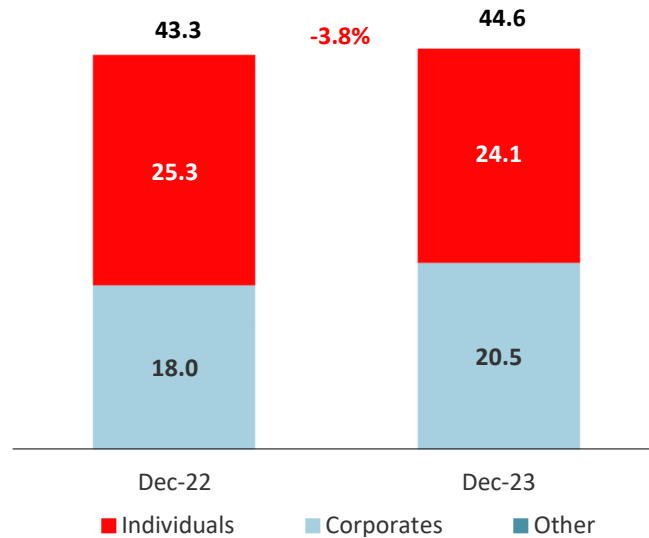
Loans to individuals stood at EUR 24.1 billion, a year-on-year decrease of 4.7 per cent. in 2023.

Mortgage loans decreased by 4.7 per cent. in 2023 to EUR 22 billion.

Consumer loans decreased by 1.7 per cent. in 2023 to EUR 1.8 billion. Loans to corporates and institutions amounted to EUR 20.5 billion as at 31 December 2023, an increase of 13.7 per cent. compared to 2022, reflecting the support given by the Bank to its customers' projects, and highlighting the refinancing operations of large corporates as well as liquidity and treasury management solutions, including support for international trade.

## LOANS AND ADVANCES TO CUSTOMERS (GROSS)

billion euro



At the end of 2023, the non-performing exposure ratio, in line with the EBA's definition (in relation to balance sheet exposures), stood at 1.7 per cent., a 0.3 p.p. year-on-year decrease, with impairment coverage standing at 89.2 per cent. (87 per cent. in the previous year). The cost of credit stood at 0.17 per cent. in 2023, 0.2 p.p. more than the -0.03 per cent. registered in 2022.

CREDIT RISK RATIOS	Dec-23	Dec-22	Var.
Non-performing Exposure Ratio	1.7%	2.0%	-0.3 p.p.
Non-Performing Exposure coverage Ratio	89.2%	87.0%	+2.2 p.p.
Cost of credit	0.17%	(0.03%)	+0.2 p.p.

Customer's Resources amounted to EUR 43.7 billion at the end of 2023, a decrease of 5.7 per cent. when compared with the amount recorded in 2022, supported by the 8.8 per cent. decrease in deposits and the 11.1 per cent. increase in off-balance sheet resources since 2022.

RESOURCES (million euro)	Dec-23	Dec-22	Var.
<b>Customer's resources</b>	<b>43,709</b>	<b>46,332</b>	<b>-5.7%</b>
On-balance sheet resources	35,629	39,062	-8.8%
Deposits	35,629	39,062	-8.8%
Off-balance sheet resources	8,079	7,270	+11.1%
Investment funds marketed by the Bank	4,252	3,623	+17.4%
Insurance and other resources marketed by the Bank	3,828	3,647	+4.9%

Deposits amounted to EUR 35.6 billion in 2023, a decrease of 8.8 per cent. year-on-year, reflecting the early repayment of credit by customers, in the context of rising interest rates, and the channelling of savings into investments in off-balance sheet resources.

Off-balance sheet resources stood at EUR 8.1 billion at the end of 2023, up 11.1 per cent. in relation to December 2022. Investment funds marketed by BST, in the amount of EUR 4.3 billion, increased by 17.4 per cent. compared to the previous year and insurance and other resources marketed by the Bank stood at EUR 3.8 billion as at 31 December 2023, registering a 4.9 per cent. year-on-year increase.

### Solvency Ratios

At the end of December 2023, the CET1 ratio, calculated according to CRR/CRD IV, stood at 16.1 per cent. (fully implemented), an increase of 0.3 p.p. compared to the previous year, reflecting the Bank's ability to generate organic capital and manage RWAs.

BST has a very high capitalisation rate, above the minimum requirements set by the ECB (for 2024, CET1 of 8.428 per cent., Tier 1 of 10.238 per cent., and Total of 12.5 per cent. (fully implemented)).

The MREL ratio (Minimum Requirement for Own Funds and Eligible Liabilities), which has to be met on the individual activity basis, stood at 24.4 per cent. at the end of 2023, above the fully-implemented requirement of 20.68 per cent. imposed from 1 January 2024 onwards.

<b>CAPITAL</b> (million euro)	<b>Dec-23</b>	<b>Dec-22</b>	<b>Var.</b>
<b>Common Equity Tier 1</b>	<b>2,496</b>	<b>2,508</b>	<b>-0.5%</b>
Tier 1 Capital	2,896	2,908	-0.4%
Total Capital	3,288	3,295	-0.2%
<b>Risk Weighted Assets (RWA)</b>	<b>15,467</b>	<b>15,867</b>	<b>-2.5%</b>
CET 1 ratio	16.1%	15.8%	+0.3 p.p.
Tier 1 ratio	18.7%	18.3%	+0.4 p.p.
Total Capital ratio	21.3%	20.8%	+0.5 p.p.

## BUSINESS OF BST

### Business Areas Overview

#### *Individuals and Business, Companies and Institutional*

##### *Individuals*

In the Individuals segment, the customer growth trajectory stands out, as a result of the great effort made throughout 2023 to attract new customers — materialised through various campaigns.

The Net Promoter Score (“**NPS**”) is also worthy of note. This index measures the level of customer satisfaction, with BST having been ranked 2nd in NPS in Portugal, in the national banking system.

In terms of commercial activity, there were increased dynamics in this segment during the last months of 2023 as a result of the launch of a commercial revitalisation programme that showed very positive results.

In 2023, the Bank increased its active customer base by 70,000 new customers, registering a growth of 4 per cent. when compared to the end of 2022; and digital customers increased by another 63,000 (+6 per cent.), reaching 1.2 million customers, which already represent 64 per cent. of active customers, with more than 1.2 million daily logins on the Bank’s digital channels (corporate website and app), i.e., a growth of 25.5 per cent. when compared to 2022.

The expansion of the Bank’s customer base was accompanied by increased relationships with customers, materialised in the growth of the main transaction metrics throughout 2023, leveraged by the 3 per cent. increase in the number of debit and credit cards made available by the Bank.

At this level, the Bank promoted several initiatives, notably:

- Launching the instant digital card for individual customers (new cards and replacement requests);
- Reinforcing the Santander Rewards Engagement programme for customers who frequently use their card (discounts as cash back); and
- Boosting digital payments on a huge growth drive, and adapting the business to Apple Pay/Google Pay wallets and tokenization.

In 2023, BST customers carried out almost 100 million payment and transfer operations, 12.9 per cent. more than the figure registered in the previous year. They also made almost 1 million daily purchases (+19 per cent. year-on-year) and more than 45 million cash withdrawals.

The year of 2023 was significant in terms of changes in mortgage lending. There was a shift in the rate regimes for contracted operations, from floating to mixed, and a very significant increase in credit transfers between banks. This scenario was a consequence of higher interest rates and the measures implemented by the Portuguese Government. Throughout the year, the Bank sought to respond to the changes in customer preferences by adapting its offer to the new market context. This allowed for sustained growth in new production volumes, especially in the second half of the year. However, the context of higher interest rates resulted in lower production volumes compared to 2022, which, combined with the increase in partial early repayments of debt, put pressure on the mortgage loans portfolio, with an accumulated drop of 4.7 per cent. during the year.

Consumer loans decreased in 2023, with lower production volumes compared to 2022, mostly due to the current market context, as well as the changes introduced to the admission and decision process of BST with the aim of reducing the number of default cases. Nevertheless, production volumes proved to be solid, essentially due to the commercial focus, optimisation of the implemented admission rules, and continued digital transformation of the contracting process.

In 2023, the Protection Insurance activity maintained its focus on improving relations with the Bank’s customers, namely by increasing its offer and by optimising processes, with the aim of bringing customers closer to the Bank, by simplifying their interaction with the Bank in all dimensions of their day-to-day lives (Global Protection).

Regarding Non-Related Insurance, a new, simplified Home Protection Insurance was launched, with a 100 per cent. omnichannel journey. The corporate offer was also enriched, with the new Health offer adjusted to each customer’s

needs, plus the Cyber Insurance, and the reinforcement of the Car Insurance offer. At the end of 2023, a new branch was added to the offer, namely the new Family Civil Liability Insurance which, in addition to offering basic coverage, allows families to be supported in the event of an oncological disease, and responds to concerns related to new mobility trends (by scooter, for instance).

Regarding Credit-Related Insurance, the competitiveness and attractiveness of the offer was worked on, notably through several campaigns launched throughout the year. Credit journeys with insurance in context are subject to continuous improvement and their optimisation will continue throughout 2024.

In this context, 2023 was a very strong year in terms of attracting young doctors, a segment that BST continues to support, specifically in their preparation for the national exam for access to their medical specialty, as well as their entry into the labour market. At the same time, initiatives were launched to replicate best practices with other partners.

### *Companies, Business and Institutions*

In 2023, one of BST's main objectives for the Corporate segment was to reinforce the Bank's role as a partner of Portuguese companies, namely by positioning itself by their side when it comes to responding to emerging challenges. As a result of this proximity, BST has continued to be recognised as a trusted partner for companies in their transformation process, and as a reference bank in terms of its contribution to the greater adoption of increasingly demanding sustainability criteria.

The awarding of the innovative status by COTEC Portugal – Associação Empresarial para a Inovação stands out in the context of non-financial partnerships, in the field of innovation and development. The Bank also supports applications from small and medium-sized companies for the SME Leader and Excellence label, acknowledging the strength of their balance sheets and their ability to make a difference. The Bank promotes the empowerment of SMEs by helping companies grow through their partnership with Business Roundtable Portugal. 2023 ended with the launch of 200 scholarships for the SMEs management programme "NOVA SBE Voice Leadership", which promotes the empowerment of company managers.

Challenges related to sustainability, combating climate change, and helping companies in their transition to a greener economy are becoming increasingly relevant. Green Finance has gained greater relevance and companies currently working with BST are more informed when making decisions about their investments, viewing BST as a trusted partner.

Support for public and private investment projects within the scope of European Funds continued to be a priority for the Bank in 2023.

In 2023, tourism, agriculture, social economy, and health continued to play a prominent role in the Portuguese economy and are therefore considered strategic sectors for BST.

As regards tourism — one of the levers of the Portuguese economy — the Bank has been strongly committed to providing solutions aimed at supporting innovation and digital transformation, as well as climate sustainability. As regards agriculture, the Bank will continue to strengthen its presence in the agricultural sector through an adequate offer that helps enhance the quality of customer and partner practices, promoting their efficiency and contributing to making agriculture one of the main pillars of the Portuguese economy. In the social economy sector, the Bank is building a new way of being, namely by establishing partnerships, by responding to the real needs of the sector, and by valuing sustainability over profitability, in a shared effort between the state and local administration, social sector entities and banks, embodied in the peers programmes or in specific notices integrated in the Portuguese recovery and resilience plan, of which the Bank has been a structural partner. Health will also continue to receive the Bank's attention in Portugal in an organic way, with the Bank pursuing a strategy of greater proximity to the sector and its entire value chain.

The importance of local government, namely in the form of municipalities, municipal companies and other public sector institutions, has been taken on by the cluster that accompanies Institutional Banking. In 2023, the Bank's commitment to supporting these customers was maintained, with a differentiating offer suited to each customer, thus contributing to increased loyalty and closer relations with the Bank. This is a segment where the Bank's

response has been handled by a dedicated team that supports the various networks in their relationship with these entities.

Knowing that Portuguese companies are faced with huge challenges, BST has made about EUR 982 million available through facilities agreed with the European Investment Bank, of which EUR 162 million is earmarked for improved energy efficiency in buildings. In addition to these protocols with the European Investment Bank, there is a set of facilities already in force with the European Investment Fund and with the Banco Português de Fomento / National Mutual Guarantee System.

BST provides an online Trade Club Alliance platform, which provides information on customers, suppliers and distributors abroad, in addition to macroeconomic data and exchange rates, also offering the possibility of simulating the total costs associated with export operations.

### ***Wealth Management and Insurance***

The year of 2023 was marked by Russia's continued aggression against Ukraine, by the outbreak of war in the Middle East from October onwards, and by the interventions and communications from the main central banks regarding the monetary policy to be followed in order to effectively combat the high inflation rates felt globally since mid-2022.

Whilst the effects of the war continue to be felt, with "no end in sight", however, as a consequence of the policies of the major central banks across the globe, inflation has finally begun to show signs of slowing down. As a result, markets have begun to foresee that a change in monetary policy would take place sometime in 2024, as suggested by the negative slope of the short-term interest rate curve (up to one year).

In the context of this framework, 2023 was a year in which practically all asset classes had positive performances, with the North American S&P 500 index appreciating by 23 per cent. in the year, and the European Euro Stoxx 50 index appreciating by 19 per cent. (after a devaluation of 12 per cent. in 2022).

Thus, 2023 proved to be a very positive year for most of BST's Private Banking business indicators in Portugal, with all showing very positive performances, notably growth in business volume by 9 per cent. and a 27 per cent. growth in off-balance sheet resources — investment funds, discretionary mandates, and unit-linked insurance.

The strong momentum of growth of the Private Banking customer base was maintained in 2023, based on continued external prospecting activity and the collaboration and support from the Bank's branch network and corporate centres.

In recognition of its service and customer service, in 2023, BST Private Banking Portugal was named by Euromoney magazine as the "Best International Private Bank" operating in Portugal and, at the end of the year, BST was awarded "Best Private Bank Portugal 2024" by Global Finance magazine for the ninth consecutive year. These awards recognise and reinforce the quality of BST's teams and of the investment solutions provided by BST Private Banking, in line with the continuous improvement of the Bank's customer service and value proposition.

### ***Corporate and Investment Banking***

In 2023, the Corporate and Investment Banking area continued to uphold its commitment to enhancing collaboration between the local team (with recognised skills in the Portuguese wholesale banking market), the regional platform (Europe), and the remaining global teams with knowledge and experience in the various markets and geographies where the BST Group operates. This international-scale collaboration allows the Bank to position itself as a strategic advisor to customers in both local and global transactions, and to aim at becoming the leader in the wholesale banking market in Portugal.

In the Global Debt Financing area, 2023 was marked, among other factors, by the Bank's leadership in the main project finance operations in Portugal. In the renewable energy sector, particularly worthy of note was the conclusion of the financial advisory service to Finerge, through which the Bank supported the company in a financing operation worth more than EUR 2.3 billion for the refinancing of its entire debt and financing of its future growth plan. This operation also stands out for its innovative amortisation structure, more adaptable to the challenges currently faced by the energy sector, having been named "European Renewables Deal of the Year" by PFI magazine and "Deal of

the Year” by Proximo Infrastructures. Additionally, the Bank was involved in the year’s main operations in the infrastructure sector.

In terms of syndicated credit products, the Bank was involved in an assurance operation for Visabeira Global’s debt, in the amount of EUR 450 million, which was then syndicated with a group of national and international credit entities.

In terms of debt capital markets, the Bank’s Global Debt Financing area maintained its leading position in the Portuguese market by participating in the placement of three bond issuances, namely, for EDP, in the amount of EUR 750 million over 5 years; for Caixa Central de Crédito Agrícola, in the amount of EUR 200 million over 4 years; and for Floene, in the amount of EUR 420 million over 5 years.

In 2023, the Corporate Finance area continued to develop an intense activity in mergers & acquisitions and in equity capital market operations, among which it is worth highlighting the successful completion of the following operations:

- Financial advice to Onex Holding in the sale of a 221 MW wind portfolio to Finerge;
- Financial advice to EDPR in the sale of a 280 MW wind and solar portfolio in Poland to Orlen; and
- Financial advice to Altri and Greenvolt in the spin-off operation of the remaining 16.6 per cent. stake held by Altri in Greenvolt.

In the Markets area, at the macroeconomic level, 2023 was marked: by a consolidation of higher interest rates (and consequent adjustment of expectations and portfolios); by the cooling of inflation in the second half of the year; and by the peak of volatility in March, caused by the failure of the Silicon Valley Bank. Despite high interest rates, equity markets closed the year with relevant gains (once again largely fuelled by big tech) and credit spreads remained stable.

In the Interest Rate area, despite some unfavourable headwinds, namely customers’ aversion to higher interest rates, BST’s business strategy defined for the year turned out to be correct, fostering continued growth in business activity.

In Foreign Exchange operations, solidity was maintained based on personalised customer support, the competitiveness and scope of the offer, and the ecosystem of financial products offered by the Bank. These strategic pillars were particularly important in a year in which competition proved to be more aggressive than usual. It is worth highlighting, once again, the ongoing business digitalisation trend, reflected in the growing percentage of customers with access to the NetBanco Corporate Foreign Exchange Platform.

In the Cash Trading segment, the volumes traded on equity markets in 2023 recorded a decrease compared to the previous year. It is worth highlighting the year-on-year decrease in online business, following the reduction seen in Portugal in volumes traded on equity markets due, above all, to the tax changes to the capital gains regime that came into force in 2023. In the same period, the volumes traded on the bond markets recorded strong growth, namely in corporate debt bonds (+37.6 per cent.) and public debt bonds (+349.8 per cent.).

In the Structured Products segment for retail, eight products were launched since the beginning of 2023, raising a total of about EUR 177 million. The rise in interest rates allowed for more attractive payoff levels to be obtained in this type of product and even in more conservative products with shorter terms.

## **Technology and Operations**

In line with the Bank’s business areas, the Technology area continued to develop and implement digital solutions geared towards its employees and its customers, namely by promoting the continued adoption of new technologies, modern architectures, and agile development approaches. In terms of the regulatory context, it ensured the implementation of initiatives aimed at assuring compliance with legal and regulatory requirements, as well as the implementation of recommendations arising from internal and external audits — critical pillars for the operation of BST.

In 2023, boosted by previously implemented enablers, the Bank kept up with its strategic IT programme, namely in journeys to the cloud, the digitisation of network processes and central services (implementation of processes that help decrease the administrative burden), and the transformation of information systems, allowing BST to

increasingly become a digital bank with physical branches, and with a constant focus on improving customer experience. It is also worth highlighting the new features available on the Bank's digital channels and through its call centre service. New customer service capabilities are also available through the commercial network, namely on platforms such as customer onboarding and insurance.

## **Organisational Structure**

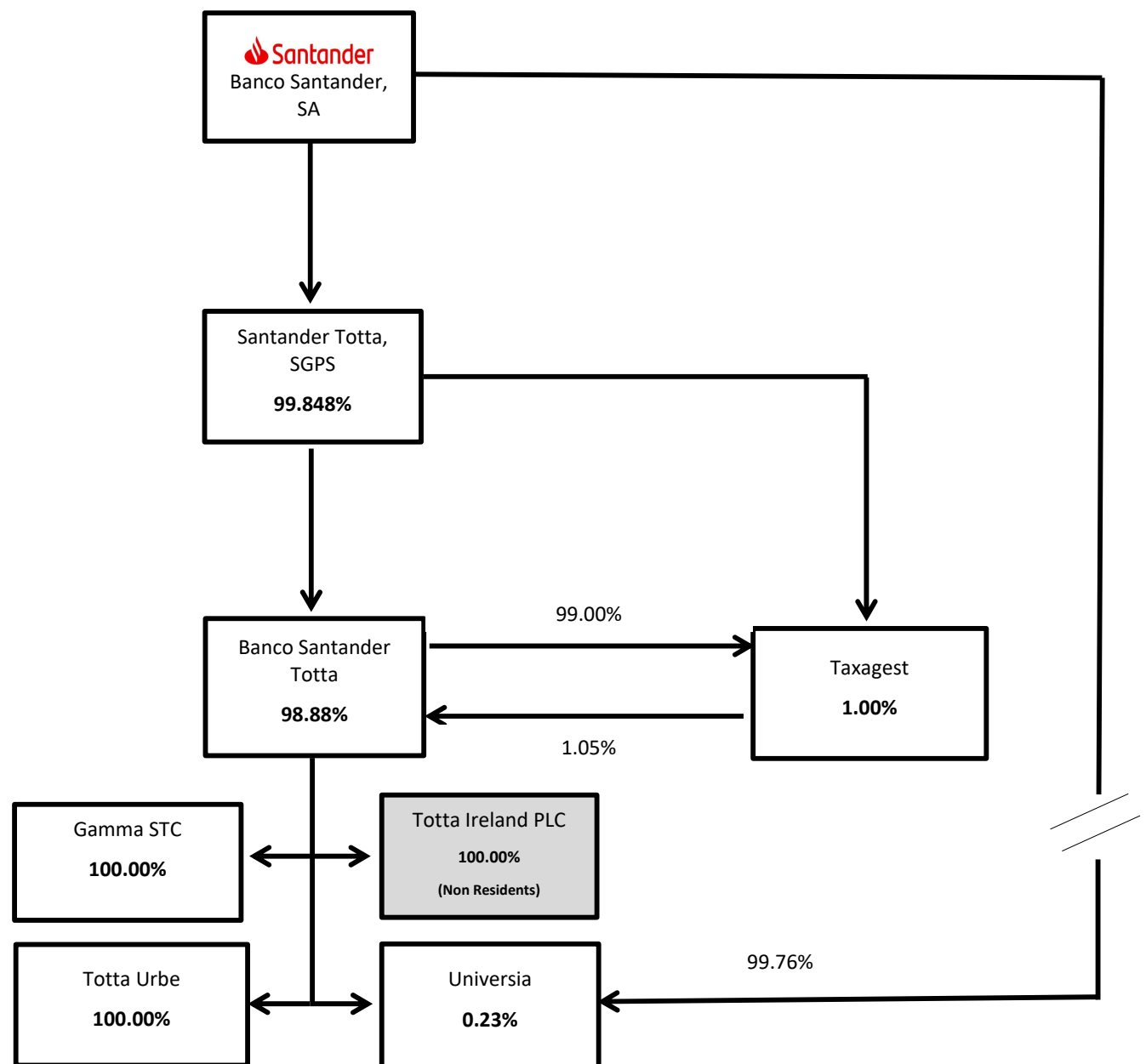
### *BST Group*

The BST Group is a global financial group focusing its activity on two main business areas: commercial retail banking and investment banking. The BST Group provides a full range of products and services to individuals, companies and institutional investors in Portugal. In addition, following the incorporation of BSN and Totta – Crédito Especializado, Instituição Financeira de Crédito, S.A. by the Issuer, the BST Group comprises the investment bank networks of the Issuer and the related group of operating companies controlled by SGPS.

SGPS, the holding company in Portugal, separates the activities of the participating companies and the investment bank business from the activities of the Issuer. The aim of this corporate structure, whereby all the banks and operating companies of the BST Group are controlled by SGPS, is essentially to increase the BST Group's strength and solvency, as well as to provide transparency to the market and allow for adequate supervision on a consolidated basis. However, following a strategic, economic and operational analysis of the structure of the BST Group, it was found that the BST Group's current corporate configuration was redundant and could be optimised. Therefore, with a view to simplifying its corporate structure, by avoiding the overlapping of structures and intermediate procedures, the Issuer's Board of Directors approved, albeit subject to the applicable regulatory authorisations (including the applicable authorisation by the ECB), (i) a simplified merger project which envisages a merger by incorporation in the Issuer of Taxagest - SGPS, S.A. and (ii) a simplified merger project which envisages a merger by incorporation in the Issuer of SGPS. As such, the BST Group's corporate organisation/structure, as at the date of this Base Prospectus, will undergo substantial changes in the near future.

The diagram presented on the next page shows the structure of the BST Group as at the date of this Base Prospectus.





## Future Outlook

The evolution of BST's business activity in Portugal will depend on the materialisation and potential impacts of some of the factors referred to in the section headed "Risk Factors", related to the stabilisation and recovery of economic activity, on the one hand, and the evolution of interest rates, on the other.

The economic context is critical for the consolidation of the recovery of business activity, which can generate a more sustained investment cycle. In this context, the implementation of "Portugal 2030", as the main financial instrument to support companies in their digital and energy transformation, is of particular relevance. In addition, the execution of the Recovery and Resilience Plan is an additional lever in terms of the mobilisation of investment by the public sector.

This cycle, especially in the non-financial private sector, could mobilise the granting of credit. In terms of credit to households, a new, less restrictive interest rate cycle could also contribute to stabilising or even increasing the volumes of new credit origination. However, in terms of income from fees — despite greater credit activity — the banking sector continues to operate within a legal framework that has exempted, temporarily or permanently, the charging of fees for some banking services.

Despite the prospects for the evolution of interest rates, BST intends to continue carefully monitoring credit quality, as the full effects of the higher interest rates registered in 2023 may not yet have been fully felt, or in a context of moderate economic growth, unemployment could maintain the upward trend observed at the end of 2023. Having said this, the economy currently remains at full employment, with the unemployment rate at a minimum.

The Bank has maintained its strategy and remains focused on its execution, which is materialised in a strong transformational impetus aimed at improving customer experience and satisfaction, in relation to which it is worth highlighting i) the continuous process of optimisation and simplification, focused on transactionality with an omnichannel presence; ii) a simplified, but customised, offer aligned with customer expectations and needs; iii) profitable growth in business volumes, adapted to customer needs and market conditions; iv) strict control over credit quality; and v) maintenance of a solid capital and liquidity position, in line with regulatory requirements.

BST also remains focused on being a responsible bank, boosting society's sustainable and inclusive growth, and reducing social and economic inequalities among populations, while, at the same time, supporting the development of the communities where it operates, with a special focus on financing the climate transition. In this regard, the Bank has already achieved a solid position in the national market, which it wants to strengthen further, namely through the financing of renewable energies and the provision of sustainable financial products and services.

## TAXATION

### PORTUGUESE TAXATION

#### ***Portuguese Taxation relating to all payments by the Issuer in respect of Notes issued within the scope of the Decree Law***

This section summarises the tax consequences of holding Notes issued by the Issuer when such Notes are centralised within Interbolsa and have been issued within the scope of the Decree Law. References in this section are construed accordingly.

Investment income (i.e. economic benefits derived from interest, amortisation or reimbursement premiums as well as other forms of remuneration which may be paid under the Notes) on the Notes, paid to a corporate holder of Notes (who is the effective beneficiary thereof (the “*Beneficiary*”) resident for tax purposes in Portuguese territory or to a non-Portuguese resident having a permanent establishment therein to which income is imputable, is subject to withholding tax currently at a rate of 25 per cent., except where the Beneficiary is either a Portuguese resident financial institution (or a non-resident financial institution having a permanent establishment in the Portuguese territory to which income is imputable) or benefits from a reduction or a withholding tax exemption as specified by current Portuguese tax law (such as pension funds, venture capital funds and collective investment undertakings constituted under the laws of Portugal).

In relation to Beneficiaries that are corporate entities resident in Portuguese territory (or non-residents having a permanent establishment therein to which income is imputable), withholding tax is treated as a payment in advance and, therefore, such Beneficiaries are entitled to claim appropriate credit against their final corporate income tax liability.

If the payment of interest or other investment income on Notes is made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000, and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR 250,000. Investment income paid or made available on accounts held by one or more parties on account of unidentified third parties is subject to a withholding tax rate of 35 per cent., except where the beneficial owner of the income is identified, in which case the general rules will apply.

Under the Decree Law, investment income classified as obtained in Portuguese territory paid to Beneficiaries considered non-Portuguese resident in respect of debt securities integrated in (i) a centralised system for securities managed by an entity resident for tax purposes in Portugal (such as CVM managed by Interbolsa), or (ii) an international clearing system operated by a managing entity established in a member state of the EU other than Portugal (e.g. Euroclear or Clearstream, Luxembourg) or in a European Economic Area Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or (iii) integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of the Decree-Law, as well as capital gains derived from a sale or other disposition of such Notes, will be exempt from Portuguese taxation.

For the withholding tax exemption to apply, the Decree Law requires that the Beneficiary are: (i) central banks and agencies bearing governmental nature; or (ii) international bodies recognised by the Portuguese State; or (iii) entities resident in countries with whom Portugal has in force a double tax treaty or a tax information exchange agreement; or (iv) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in the Ministerial Order (Portaria) no. 150/2004, of 13 February 2004 (the “*Ministerial Order no. 150/2004*”), as amended from time to time.

In addition the Beneficiary shall comply with the evidence requirements and procedures of non-residence status set forth in the Decree Law. If the procedures and certifications of non-residence status or the requirements to benefit from the withholding tax exemption are not complied with a Portuguese withholding tax will apply at a rate of 25 per cent. (in case of non-resident entities), at a rate of 28 per cent. (in case of non-

resident individuals) or at a rate of 35 per cent. (in case of investment income payments (i) to individuals or companies domiciled in a “low tax jurisdiction” list approved by Ministerial Order (Portaria) No. 150/2004 of 13 February 2011, as amended from time to time, or (ii) to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties, in which the relevant beneficial owner(s) of the income is/are not identified), as the case may be, or if applicable, at reduced withholding tax rates pursuant to tax treaties signed by the Republic of Portugal, provided that the procedures and certification requirements established by the law are complied with.

Under the Decree Law, the Notes must be held through an account with one of the following entities: (i) a direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened ; (ii) an indirect registered entity, which, although not assuming the role of the “*direct registered entities*”, is a client of the latter; or (iii) an entity managing international clearing system which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems. Capital gains obtained on the disposal of Notes, by individuals and by corporate entities not resident in the Republic of Portugal and without a permanent establishment therein to which the income or gain are attributable for tax purposes are exempt of taxation. This exemption shall not apply, if the Noteholder (i) is an entity with headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable or (ii) is resident in a jurisdiction with a more favourable tax regime than Portugal, as in Ministerial Order (“*Portaria*”) no. 150/2004, of 13 February, as amended from time to time, with whom Portugal has not a double tax treaty in force or a tax information exchange agreement.

If the above exemption does not apply, and the holder is a corporate entity the gains will be subject to corporate income tax at a rate of 25 per cent. Capital gains obtained by individuals that are not entitled to said exemption will be subject to a 28 per cent. flat rate. Under the tax treaties entered into by Portugal, such gains are usually not subject to Portuguese corporate income tax, but the applicable rules should be confirmed on a case by case basis.

Capital gains obtained on the disposal of Notes issued by the Issuer, by corporate entities resident for tax purposes in the Republic of Portugal and by non-residents corporate entities with a permanent establishment therein to which the income or gain are attributable are included in their taxable income and are subject to a corporate tax at a rate of (i) 21 per cent. or (ii) if the taxpayer is a small or medium enterprise or a small and mid-capitalization enterprise (Small Mid Cap) as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. for taxable profits up to EUR 50,000 and 21 per cent. on profits in excess thereof or (iii) if the taxpayer is a small and medium-sized enterprise or a small and mid-capitalisation enterprise (Small Mid Cap) that qualifies as a startup under the terms foreseen in Law no. 21/2023, of 25 May, and that cumulatively meets the conditions established in Article 2(1)(f) of the referred Law, 12.5 per cent. for taxable profits up to EUR 50,000 and 21 per cent. on profits in excess thereof, to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. Corporate taxpayers with a taxable income of more than EUR 1,500,000 are also subject to State surcharge (*derrama estadual*) of (i) 3 per cent. on the part of its taxable profits exceeding EUR 1,500,000 up to EUR 7,500,000, (ii) 5 per cent. on the part of the taxable profits that exceeds EUR 7,500,000 up to EUR 35,000,000, and (iii) 9 per cent. on the part of the taxable profits that exceeds EUR 35,000,000.

Capital gains obtained on the disposal of Notes issued by the Issuer, by individuals resident for tax purposes in the Republic of Portugal are subject to tax at a rate of 28 per cent. levied on the positive difference between the capital gains and capital losses of each year, unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR 80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR 250,000.

The positive balance between capital gains and capital losses arising from the transfer for consideration of shares and other securities is mandatorily accumulated and taxed at progressive rates if the assets have been held for less than 365 days and the taxable income of the taxpayer, including the balance of the capital gains and capital losses, amounts to or exceeds EUR 81,199.

### **Domestic Cleared Notes – held through a direct registered entity**

Direct registered entities are required to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account.

Registration in the exempt account is crucial for the tax exemption to apply upfront and requires evidence of the non-resident status of the Beneficiary, to be provided by the Noteholder to the direct registered entity (this will have to be made by no later than the second ICSD Business Day prior to the Relevant Date, as defined in Condition 7 of the Terms and Conditions of the Notes (*Taxation*)), as follows:

- (i) if the Beneficiary is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (ii) if the Beneficiary is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by tax authorities confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (iii) if the Beneficiary is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which the Republic of Portugal has entered into a double tax treaty in force or a tax information exchange agreement in force, it must provide (a) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below; The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying; and
- (iv) other investors will be required to prove of their non-resident status by way of: (a) a certificate of residence or equivalent document issued by the relevant tax authorities; (b) a document issued by the relevant Portuguese Consulate certifying residence abroad; or (c) a document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The Beneficiary must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been issued within the three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following three months. The Beneficiary must inform the direct registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

### **Internationally Cleared Notes – held through an entity managing an international clearing system**

Pursuant to the requirements set forth in the tax regime, if the Notes are registered in an account held by an international clearing system operated by a managing entity, the latter shall transmit, on each interest payment date and each relevant redemption date, to the direct register entity or to its representative, and with respect to all accounts under its management, the identification and quantity of securities, as well as the amount of income, and, when applicable, the amount of tax withheld, segregated by the following categories of beneficiaries:

- (a) Entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable and which are non-exempt and subject to withholding;

- (b) Entities which have residence in country, territory or region with a more favourable tax regime, included in the Portuguese “blacklist” (countries and territories listed in Ministerial Order (Portaria) no. 150/2004, of 13 February 2004, as amended from time to time, the Ministerial Order no. 150/2004) and which are non-exempt and subject to withholding;
- (c) Entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable and which are exempt or not subject to withholding; and
- (d) Other entities which do not have residence, headquarters, effective management or permanent establishment to which the income generated by the securities would be imputable.

On each interest payment date and each relevant redemption date, the following information with respect to the beneficiaries that fall within the categories mentioned in paragraphs (a), (b) and (c) above, should also be transmitted:

- (a) Name and address;
- (b) Tax identification number (if applicable);
- (c) Identification and quantify of the securities held; and
- (d) Amount of income generated by the securities.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax was withheld, a special refund procedure is available under the special regime approved by Decree-law 193/2005, as amended from time to time. The refund claim is to be submitted to the direct register entity of the Notes within six months from the date the withholding took place. Following the amendments to Decree Law 193/2005 of 7 November introduced by Law 83/2013, of 9 December, a new special tax form for these purposes was approved by Order (“*Despacho*”) no. 2937/2014, published in the Portuguese official gazette, second series, no. 37, of 21 February 2014 issued by the Secretary of State of Tax Affairs (“*Secretário de Estado dos Assuntos Fiscais*”). The refund is to be made within a 3 month period following the application.

The refund of withholding tax after the above six-month period is to be claimed from the Portuguese tax authorities within two years, starting from the term of the year in which the withholding took place.

The absence of evidence of non-residence in respect to any non-resident entity which benefits from the above mentioned tax exemption regime shall result in the loss of the tax exemption and consequent submission to applicable Portuguese general tax provisions.

#### ***Administrative Cooperation in the field of taxation***

Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014 (the “**Common Reporting Standard**”).

Portugal has implemented Directive 2011/16/EU through Decree-Law 61/2013, of 10 May, as amended by Decree-Law 64/2016, of 11 October 2016, Law no. 98/2017, of 24 August 2017, Law no. 17/2019, of 14 February, Law no. 24-D/2022, of 30 December and Law no. 36/2023, of 26 July. Council Directive 2014/107/EU of 9 December 2014 regarding the mandatory automatic exchange of information in the field of taxation was also transposed into the Portuguese Law through the Decree-Law 64/2016, of 11 October. Under such law, the Issuer is required to collect information regarding certain accountholders and report such information to Portuguese tax authorities – which, in turn, will report such information to the relevant tax authorities of EU Member States or third States which have signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information for the Common Reporting Standard. Council Directive 2021/514/EU was implemented through Law 36/2023, of 26 July, which amended Decree-Law 61/2013, of 10 May.

Under Council Directive 2014/107/EU, of 9 December 2014 financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the State of Residence) information regarding bank accounts, including depository and custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Council Directive. The information refers not only to personal information but also to the account balance at the end of the calendar year, and (i) in case of depository accounts, income paid or credited in the account during the calendar year; or, (ii) in the case of custodial accounts, the total gross amount of interest, dividends and any other income generated, as well as the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Council Directive 2021/514/EU has amended Council Directive 2011/16/EU aiming to combat the fraud, evasion and tax avoidance in the digital economy and the cross-border dimension of the services offered through the use of digital platforms. Under this regime, any digital platform that connects sellers of certain goods and services with the respective buyers should report to the local tax authorities information on the economic activities carried out by the users.

Portugal has implemented Council Directive 2014/107/EU into Portuguese law through Decree Law no. 64/2016, of 11 October 2016. In view of the regime enacted by Decree Law no. 64/2016, of 11 October 2016, which was amended by Law no. 98/2017, of 24 August 2017 and by Law no. 17/2019, of 14 February 2019, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations arising thereof and the applicable forms were approved by Ministerial Order (Portaria) no. 302-B/2016, of 2 December 2016, Ministerial Order (Portaria) no. 302-C/2016, of 2 December 2016, Ministerial Order (Portaria) no. 302-D/2016, of 2 December 2016, Ministerial Order (Portaria) no. 302-E/2016, of 2 December 2016 and Ministerial Order (Portaria) no. 219/2019, of 16 July 2019, all as amended from time to time.

#### **Foreign Account Tax Compliance Act ("FATCA")**

Portugal has implemented, through Law 82-B/2014, of 31 December 2014 and Decree-Law 64/2016, of 11 October 2016, which has been amended by Law no. 98/2017, of 24 August 2017 and by Law no. 17/2019, of 14 February 2019, the legislation based on the reciprocal exchange of information with the United States of America on financial accounts subject to disclosure in order to comply with Sections 1471 through 1474 of the US Internal Revenue Code of 1986. Under such legislation, the Issuer will be required to obtain information regarding certain accountholders and report such information to the Portuguese tax authorities which, in turn, will report such information to the Internal Revenue Service of the United States of America. The exchange of information shall be made by 31 May of each year comprising the information gathered in respect of the previous year.

#### **THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "*Commission's Proposal*") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "*participating Member States*"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **LUXEMBOURG TAXATION**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

### **Withholding Tax**

#### **(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

#### **(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "*Relibi Law*") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of their private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 20 per cent.

## **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "*foreign financial institution*" (as defined by FATCA) may be required to withhold on certain payments it makes ("*foreign passthru payments*") to persons that fail to meet certain certification, reporting or related requirements. BST is a foreign financial institution for these purposes. A number of jurisdictions (including Portugal) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("*IGAs*"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the 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 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 characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "Further Issues" in the "Terms and Conditions of the Notes") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as



subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the “*Programme Agreement*”) dated 23 May 2024, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes and Clearing System*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph and the following paragraph have the meanings given to them by Regulation S.

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 and delivered, and will not offer, sell and deliver, any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Notes, and that it and they have complied with and will comply with the offering restrictions requirement of Regulation S. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The applicable Final Terms will specify if TEFRA C is applicable, or, alternatively if TEFRA is not applicable.

### Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “*FIEA*”) and accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No.228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## 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:
  - 1. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “*MiFID II*”); or
  - 2. 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
  - 3. not a qualified investor as defined in Regulation (EU) 2017/1129; and
- (b) the expression an “*offer*” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an “*offer of Notes to the public*” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression “*Prospectus Regulation*” means Regulation (EU) 2017/1129.

## United Kingdom

### *Prohibition of Sales to UK Retail Investors*

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “*retail investor*” means a person who is one (or more) of the following:
1. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“*EUWA*”); or
  2. 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
  3. not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “*offer*” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK, except that it may, make an offer of such Notes to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression an “*offer of Notes to the public*” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression “*UK Prospectus Regulation*” when used herein means Regulation (EU) 2017/1129 as it forms part of UK domestic law 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) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “*FSMA*”) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving, the UK.

### **France**

Each of the Dealers and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of this Base Prospectus or any other offering material relating to the Notes.

### **Belgium**

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2° of the Belgian Code of Economic Law, as amended from time to time (a "*Belgian Consumer*") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

### **Singapore**

If the applicable Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "*MAS*"). Accordingly, each Dealer 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 (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "*SFA*")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the applicable Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Dealer 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 (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) 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 (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

### **Switzerland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("*FinSA*") and no application has 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 other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

### **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Executive Committee of BST dated 20 June 2001 and ratified by a resolution of the Board of Directors of BST dated 19 July 2001. In a resolution dated 30 January 2019, the Board of Directors of BST delegated its power to, among other things, approve the Programme to the Executive Committee and on 10 April 2024, the Executive Committee of BST approved the present update of the Programme.

### Approval, Listing and Admission to Trading of Notes

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from [https://www.santander.pt/pt\\_PT/Investor-Relations/Santander-Totta.html](https://www.santander.pt/pt_PT/Investor-Relations/Santander-Totta.html):

- (i) the Agency Agreement and any agreement appointing a common representative;
- (ii) a copy of this Base Prospectus;
- (iii) any future Base Prospectus, prospectuses, information memoranda, supplements and Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on (i) a regulated market in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA, nor offered in the (i) European Economic Area or (ii) the UK, in circumstances where a prospectus is required to be published under the Prospectus Regulation or the FSMA, as the case may be, will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (iv) an English translation of the constitutional documents of the Issuer.

### Clearing Systems

The Notes will be integrated in and held through Interbolsa as operator of the CVM. The appropriate ISIN for each Tranche of Notes allocated by Interbolsa will be specified in the Final Terms.

The address of Interbolsa is Avenida da Boavista, 3433 – 4100 – 138 Porto, Portugal.

For the time being, Interbolsa will only settle and clear Notes denominated in Euro, U.S. dollars, Sterling, Japanese yen, Swiss francs, Australian dollars, Canadian dollars, Chinese renminbi, Norwegian Krone and Swedish Krona.

### Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

**Significant or Material Change**

There has been (A) no significant change in the financial performance or financial position of BST or the BST Group since 31 December 2023, and (B) no material adverse change in the prospects of BST since 31 December 2023.

**Litigation**

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which BST is aware) in the twelve months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of BST or the BST Group.

**Auditors**

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda., which is a member of the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*) with number 183 and registered with CMVM with number 20161485, with registered office at Palácio SottoMayor, Rua Sousa Martins, no. 1, 3rd, 1069-316 Lisbon, Portugal, represented by José Manuel Henriques Bernardo and Aurélio Adriano Rangel Amado, audited BST's consolidated accounts in accordance with the generally accepted auditing standards issued by the Institute of Statutory Auditors as at and for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023.

The Legal Certification of Accounts and Auditor's Reports on the consolidated financial statements as at and for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 of BST contained unqualified opinions.

For a better understanding of the above issues, the reading of the complete versions of the opinions included in the annual reports of BST together with the financial statements is recommended.

**Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. The Dealers have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.



#### **THE ISSUER**

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#### **AGENT AND PORTUGUESE PAYING AGENT**

***Banco Santander Totta, S.A.***  
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1070-238 Lisbon  
Portugal

#### **LUXEMBOURG LISTING AGENT**

***Deutsche Bank Luxembourg S.A.***  
2 Boulevard Konrad Adenauer  
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Luxembourg

#### **LEGAL ADVISERS**

*To the Issuer as to Portuguese law*  
***Vieira de Almeida & Associados***  
***Sociedade de Advogados S.P.R.L.***  
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*To the Dealers as to English law*  
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#### **AUDITORS TO THE ISSUER**

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#### **ARRANGER AND DEALER**

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