

LISTING PARTICULARS

Andorra Capital Agricol Reig, B.V.

Andorra Capital Agricol Reig, B.V.

(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid incorporated under the laws of the Netherlands)

€500,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Andorra Banc Agricol Reig, S.A.

(incorporated with limited liability in Andorra)

Under this €500,000,000 Euro Medium Term Note Programme (the "**Programme**"), Andorra Capital Agricol Reig, B.V. (the "**Issuer**") may from time to time issue Euro medium term notes ("**Notes**" or "**Euro Medium Term Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) having the terms and conditions set out in these Listing Particulars under "*Terms and Conditions of the Notes*". The Programme forms part of the Issuer's Global Euro Medium Term Note and Covered Bond Programme.

The payments of all amounts due in respect of the Euro Medium Term Notes have been unconditionally and irrevocably guaranteed by Andorra Banc Agricol Reig, S.A. (the "**Guarantor**").

The maximum aggregate amount of all Euro Medium Term Notes from time to time outstanding under the Programme will not exceed €500,000,000 when aggregated with the Covered Bonds issued pursuant to the Issuer's Covered Bond Programme (as defined below) or its equivalent in other currencies calculated as described in the Programme Agreement described herein, subject to increase as described herein.¹

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

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

¹ The Issuer also has established a Covered Bond Programme (the "**Covered Bond Programme**") under which the Issuer may issue covered bonds ("**Covered Bonds**") denominated in Euros, having the terms and conditions as may be agreed between the Issuer and the relevant dealer for such Covered Bonds (as further specified in separate listing particulars relating to the issue of Covered Bonds under the Covered Bond Programme dated 12 July 2017). The Covered Bond Programme forms part of the Issuer's Global Euro Medium Term Note and Covered Bond Programme. The Issuer has undertaken not to have in issue, at any time, more than €500,000,000 in aggregate nominal amount of Euro Medium Term Notes and Covered Bonds pursuant to its Global Euro Medium Term Note and Covered Bond Programme.

These Listing Particulars do not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as such directive may be amended from time to time, the "**Prospectus Directive**"). The Issuer is not offering the Euro Medium Term Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Euro Medium Term Notes to be admitted to the official list (the "**Official List**") and trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange Market**"). There can be no assurance that any such approval will be granted or, if granted that such listing will be maintained. These Listing Particulars have been approved by the Irish Stock Exchange plc (the "**Irish Stock Exchange**").

Notice of the aggregate nominal amount of the Euro Medium Term Notes, interest (if any) payable in respect of the Euro Medium Term Notes, the issue price of the Euro Medium Term Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Euro Medium Term Notes will be set out in a pricing supplement (the "**Pricing Supplement**").

The Programme provides that Euro Medium Term 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, the Guarantor and the relevant Dealer. The Issuer may also issue unlisted Euro Medium Term Notes and/or Euro Medium Term Notes not admitted to trading on any market.

The minimum denomination of any Euro Medium Term Notes issued under the Programme shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Euro Medium Term Notes).

As at the date of these Listing Particulars, the Guarantor is rated BBB (Long-term) and F3 (Short-term) by Fitch Ratings España, S.A.U. ("**Fitch**"). Fitch is established in the European Union and is registered under the Regulation (EU) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended by Regulation (EU) No 513/2011, the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Tranches of Euro Medium Term Notes issued under the Programme will be rated or unrated. Where a Tranche of Euro Medium Term Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Euro Medium Term Notes already issued. Where a Euro Medium Term Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Euro Medium Term Notes will be (a) issued by a credit rating agency established in the EEA and registered (or which has applied for registration and not been refused) under the CRA Regulation, or (b) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (c) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (i) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (ii) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (iii) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. The Programme has not been assigned a rating by any rating agency.

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

The Euro Medium Term Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, 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**"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended ("**IMD**"), 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 Directive 2003/71/EC, as amended the ("**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Euro Medium Term Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Euro Medium Term Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**Arranger and Dealer
Andbank**

The date of these Listing Particulars is 12 July 2017

IMPORTANT INFORMATION

The Issuer and the Guarantor accept responsibility for the information contained in these Listing Particulars and the Pricing Supplement for each Tranche of Euro Medium Term Notes issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

Market data and forecasts used in these Listing Particulars in the section "*Description of the Guarantor*" have been obtained from certain publicly available information. Generally, such data and forecasts regarding Gross Domestic Product growth in these Listing Particulars has been obtained from data published by the International Monetary Fund and other third party sources that are believed to be reliable. No assurance can be given as to the accuracy and completeness of any such data, which has not been independently verified and none of the Issuer, the Guarantor or the Dealer, nor any other person makes any representation as to the accuracy or completeness of any such data. In the case of the presented statistical information, similar statistics may be obtained from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source.

The information described above has been accurately reproduced and, as far as the Issuer and the Guarantor is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information has been obtained from a third party, the Issuer and the Guarantor believe such sources to be reliable, but the accuracy and completeness of such information is not guaranteed. Such data, while believed to be reliable and which has been accurately extracted by the Issuer and the Guarantor for the purposes of these Listing Particulars, has not been independently verified by the Issuer, the Guarantor or any other party and you should not place undue reliance on such data included in these Listing Particulars. Where third party information has been used in these Listing Particulars, the source of such information has been identified.

The language of these Listing Particulars is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of these Listing Particulars.

These Listing Particulars are to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*").

Any reference to websites in these Listing Particulars is for information purposes only and such websites shall not form part of these Listing Particulars.

The information contained in these Listing Particulars was obtained from the Issuer, the Guarantor and other sources, but no assurance can be given by the Dealer as to the adequacy, accuracy or completeness of this information. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer as to the accuracy or completeness of the information contained or incorporated in these Listing Particulars or any other information provided by the Issuer or the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in these Listing Particulars or any other information provided by the Issuer or the Guarantor in connection with the Programme.

Subject as provided in the applicable Pricing Supplement the only persons authorised to use these Listing Particulars in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealers.

No person is or has been authorised by the Issuer, the Guarantor to give any information or to make any representation not contained in or not consistent with these Listing Particulars 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, the Guarantor or any of the Dealers.

Neither these Listing Particulars nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or any of the Dealers that any recipient of these Listing Particulars 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 and/or the Guarantor. Neither these Listing Particulars nor any other information supplied in connection with the Programme or the issue of any Euro Medium Term Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Euro Medium Term Notes.

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

IMPORTANT INFORMATION RELATING TO THE USE OF THESE LISTING PARTICULARS AND OFFERS OF EURO MEDIUM TERM NOTES GENERALLY

These Listing Particulars does not constitute an offer to sell or the solicitation of an offer to buy any Euro Medium Term Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Listing Particulars and the offer or sale of Euro Medium Term Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Dealers do not represent that these Listing Particulars may be lawfully distributed, or that any Euro Medium Term 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, the Guarantor or the Dealers which is intended to permit a public offering of any Euro Medium Term Notes or distribution of these Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Euro Medium Term Notes may be offered or sold, directly or indirectly, and neither these Listing Particulars 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 these Listing Particulars or any Euro Medium Term Notes may come must inform themselves about, and observe, any such restrictions on the distribution of these Listing Particulars and the offering and sale of Euro Medium Term Notes. In particular, there are restrictions on the distribution of these Listing Particulars and the offer or sale of Euro Medium Term Notes in the United States, the European Economic Area (including the United Kingdom, Spain and the Netherlands), Hong Kong, Singapore, the People's Republic of China and Japan, see "*Subscription and Sale*".

These Listing Particulars have been prepared on the basis that any offer of Euro Medium Term Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Euro Medium Term Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in these Listing Particulars as completed by the Pricing Supplement in relation to the offer of those Euro Medium Term Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU).

These Listing Particulars are an advertisement and do not comprise a prospectus for the purposes of EU Directive 2003/71/EC or any legislation or rules in any jurisdiction implementing such Directive.

Euro Medium Term Notes may not be a suitable investment for all investors. Each potential investor in the Euro Medium Term 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 Euro Medium Term Notes, the merits and risks of investing in the Euro Medium Term Notes and the information contained or incorporated by reference in these Listing Particulars 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 Euro Medium Term Notes, including Euro Medium Term Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Euro Medium Term 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) Euro Medium Term Notes are legal investments for it, (2) Euro Medium Term Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Euro Medium Term Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Euro Medium Term Notes under any applicable risk-based capital or similar rules.

The Euro Medium Term Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), unless such securities are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Euro Medium Term Notes in bearer form may be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person (as defined in the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "**Code**"). (For a description of these and certain other restrictions on offers, sales and transfers of Notes, (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In these Listing Particulars, all references to:

- "U.S. dollars", "U.S.\$" and "\$" refer to United States dollars;
- to "Sterling" and "£" refer to pounds sterling;
- "euro" and "€" refer to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);

- references to "**RMB**", "**CNY**" and "**Renminbi**" are to the lawful currency of the People's Republic of China (the "**PRC**" or "**China**"), excluding, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
- references to "**IFRS**" in these Listing Particulars are to International Financial Reporting Standards as adopted by the European Commission, which are those required to be used by companies listed on regulated markets in the European Union; and
- references to "**Andorran GAAP**" and "**Andorran Accounting Principles**" in these Listing Particulars are to the Andorran laws and regulations governing the preparation of financial statements, as interpreted and integrated by the accounting principles established in Andorra.

STABILISATION

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

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of these Listing Particulars and, in relation to the terms and conditions of any particular Tranche of Euro Medium Term Notes, the Pricing Supplement). The Issuer and any relevant Dealer may agree that Euro Medium Term Notes shall be issued in a form other than that contemplated in the Terms and Conditions.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview. References in this Overview to "**Andbank Group**" means the Guarantor together with its consolidated subsidiaries.

Issuer: Andorra Capital Agricol Reig, B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands with its corporate seat in Rotterdam, the Netherlands and registered with the Dutch chamber of commerce under number 34393179.

Guarantor: Andorra Banc Agricol Reig, S.A.

Description: Euro Medium Term Note Programme forming part of the Issuer's Global Euro Medium Term Note and Covered Bond Programme.

References in these Listing Particulars to "**Euro Medium Term Notes**" or "**Notes**" means Euro medium term notes issued under the Programme having the terms and conditions set out in these Listing Particulars under "*Terms and Conditions of the Notes*".

Risk Factors: There are certain factors that may affect the ability of the Issuer and the Guarantor to fulfil their respective obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below and include, among others, that the Andbank Group depends on the creditworthiness of the Guarantor, that the Guarantor's business may be affected by changes to the Andorran economy and is vulnerable to volatility in the interest rates, that current economic conditions may make it more difficult for the Guarantor to fund its business, that the Andbank Group may fail to compete successfully with its competitors that the Andbank Group may fail to protect its reputation and that regulatory changes may affect the Andbank Group and its clients. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.

Arranger: Andorra Banc Agricol Reig, S.A.

Dealers: Andorra Banc Agricol Reig, S.A. and any other Dealers appointed in accordance with the Programme Agreement.

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

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Issuing and Principal Paying Agent: Deutsche Bank AG, London Branch.

Programme Size: The maximum aggregate amount of all Notes when aggregated with the Covered Bonds issued pursuant to the Issuer's Covered Bond Programme outstanding from time to time under the Programme will not exceed €500,000,000 (or its equivalent in other currencies). The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement and subject to approval by both the Dealers for the issuance of Euro Medium Term Notes and the Dealers for the issuance of Covered Bonds.

The Issuer also has in place a Covered Bond Programme as part of its Global Euro Medium Term Note and Covered Bond Programme under which the Issuer may issue covered bonds ("**Covered Bonds**") denominated in Euros, having the terms and conditions as may be agreed between the Issuer and the relevant dealer for such Covered Bonds (as further specified in separate listing particulars relating to the issue of Covered Bonds under the Covered Bond Programme dated 12 July 2017).

The Issuer has undertaken not to have in issue, at any time, more than €500,000,000 (or its equivalent in other currencies) in aggregate nominal amount of Euro Medium Term Notes and Covered Bonds pursuant to its Global Euro Medium Term Note and Covered Bond Programme.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Notes may be denominated in U.S. dollars, euro, Sterling or Renminbi and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer as specified in the applicable Pricing Supplement.

Maturities: The Notes will have 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.

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

Form of Notes: The Notes will be issued in bearer form as described in "*Form of the Notes*".

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, each as specified in the applicable Pricing Supplement.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

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

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.

Other Types of Notes: The Issuer may issue various types of Notes including Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Partly Paid Notes:	The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.
Notes redeemable in instalments (Instalment Notes):	<p>The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.</p> <p>The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than, in the case of Notes in specified instalments, if applicable, or 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 notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Pricing Supplement.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "<i>Certain Restrictions - Notes having a maturity of less than one year</i>" above.</p>
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, save that the minimum denomination of each Note will be at least €100,000 and such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable the Issuer and to the relevant Specified Currency (see " <i>Certain Restrictions - Notes having a maturity of less than one year</i> " above) (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, unless required by law, as provided in Condition 7 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 7 (<i>Taxation</i>) be required to pay additional amounts to cover the amounts so deducted.</p> <p>All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 5.2 (<i>Payments Subject to Fiscal and Other Laws</i>).</p>
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3 (<i>Negative Pledge</i>).

Cross Default:	The terms of the Notes will contain a cross acceleration provision as further described in Condition 9 (<i>Events of Default</i>).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Guarantee:	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional and (subject to the provisions of Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of the Guarantor and will rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.
Rating:	<p>The Guarantor is rated BBB (Long-term) and F3 (Short-term) by Fitch. Fitch is established in the European Union and are registered under the CRA Regulation.</p> <p>Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. The Programme has not been assigned a rating by any rating agency.</p> <p>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>
Listing:	<p>Application has been made to the Irish Stock Exchange for the Notes to be admitted to listing on the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market of the Irish Stock Exchange, with effect from or about the Issue Date or other date as specified in the relevant Pricing Supplement.</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. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United

Kingdom, Spain and the Netherlands), Andorra, Hong Kong, the People's Republic of China, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

U.S. Selling Restrictions:

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

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer and the Guarantor 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 and the Guarantor 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 and the Guarantor 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 control of the Issuer and the Guarantor. The Issuer and the Guarantor have identified in these Listing Particulars a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes. All these factors are possibilities which may or may not occur and the Issuer and the Guarantor is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive.

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 these Listing Particulars and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme and factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee

Risk factors relating to the Issuer

Issuer's dependence on the creditworthiness of the Guarantor.

The Issuer is a wholly-owned subsidiary of the Guarantor which was established for the purpose of, among other things, issuing Notes, making deposits of the issue proceeds with the Guarantor and hedging its exposure with the Guarantor. The Issuer is therefore dependent upon the Guarantor to meet its payment obligations under the Notes. Should the Guarantor fail to pay interest on or repay any deposit made by the Issuer or meet its commitment under a hedging arrangement in a timely fashion this will have a material adverse effect on the ability of the Issuer to fulfil its obligations under Notes issued under the Programme. By virtue of its dependence on the Guarantor, each of the risks described under the heading "*Risks relating to the Guarantor*" that affect the Guarantor will also indirectly affect the Issuer.

Uncertainty as to insolvency proceedings.

In the event of an insolvency of the Issuer, the court having jurisdiction to begin insolvency proceedings and the law applicable to those proceedings will be determined in accordance with the provisions of Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings ("**Regulation 1346/2000**"), the Dutch Bankruptcy Act (*Faillissementswet*) and the Andorran Insolvency Decree dated 4 October 1969 (the "**Andorran Insolvency Law**"), each as amended from time to time. Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the "**Recast EU Insolvency Regulation**") replaced Regulation 1346/2000 on 26 June 2017. Pursuant to these provisions, the courts of the place where the Issuer has its centre of main interests shall have jurisdiction to initiate insolvency proceedings against it and the law applicable to the insolvency proceedings and their effects will be the law of the place where such proceedings are initiated. Under Regulation 1346/2000 and the Recast EU Insolvency Regulation the centre of main interests should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. In the case of a company or legal person, Regulation 1346/2000 and the Recast EU Insolvency Regulation presumes, in the absence of proof to the contrary, that the place of its registered office is the centre of main interests. Based on this presumption a Dutch court will presuppose that it has jurisdiction to open insolvency proceedings against the Issuer. Regulation 1346/2000 and the Recast EU Insolvency Regulation do not have direct effect within Andorra. Notwithstanding this presumption, it is arguable that the centre of main interests of the Issuer should be considered to be located in Andorra and that the Andorran courts should be the

courts with jurisdiction to open insolvency proceedings against it. In addition, even if the centre of main interests of the Issuer were not in Andorra, as Regulation 1346/2000 and the Recast EU Insolvency Regulation do not have direct effect within Andorra, the Andorran courts could still open insolvency proceedings (named territorial insolvency proceedings) if they consider that the Issuer's parent company is an Andorran financial entity and that the Issuer is a wholly owned affiliate of the parent company with its own legal capacity and located in the Netherlands, the effects of which would be limited to the assets of the Issuer situated in Andorra. Noteholders should be aware that, in accordance with the above, in case of an eventual insolvency of the Issuer, there is uncertainty as to whether the insolvency proceedings would be opened in the Netherlands or in Andorra.

Risks relating to the Guarantor

The Guarantor's consolidated financial statements are not in accordance with International Financial Reporting Standards.

The Guarantor's consolidated financial statements have been prepared using Andorran Accounting Principles. There are certain significant differences between International Financial Reporting Standards ("IFRS") and Andorran Accounting Principles. Significant differences relevant to the Guarantor's financial statements are discussed in the section entitled "*Principal Differences Between IFRS and Andorran Accounting Principles*" below. The effects of such differences on the Guarantor's financial results or position for the data incorporated in or attached to these Listing Particulars have not been quantified (save to the extent described in the section entitled "*Principal Differences Between IFRS and Andorran Accounting Principles*"). Investors should consult their own professional advisors for an understanding of the differences between IFRS and Andorran Accounting Principles and how these differences might affect the financial information herein. Investors should not consider the information contained in these Listing Particulars to be exhaustive. Investors must make their own assessment of the financial condition of the Issuer and the Guarantor.

Since the Guarantor's loan portfolio is highly concentrated in Andorra, adverse changes affecting the Andorran economy could have a material adverse effect on its financial condition.

The Guarantor has historically developed its lending business in Andorra, which continues to be its main place of business. Growth forecasts for the Andorran economy are being revised downwards due to lower domestic demand and the impact of the global financial crisis. The Andorran economy is affected by the slowdown in global growth, which is especially severe in the most important markets for Andorran goods and services exports. One of the weaknesses of the Andorran economy is its heightened need for foreign financing, as reflected by the high current account deficit. If the Andorran economy faces difficulties to make the payments associated with this deficit, this will further damage its economic situation.

A substantial percentage of the Guarantor's customer base is particularly sensitive to adverse developments in the economy, which renders its lending activities relatively riskier than if it lent primarily to higher income customer segments.

Medium-sized and small-sized companies as well as middle and lower middle income individuals typically have less financial strength than large companies and high-income individuals and accordingly can be expected to be more negatively affected by adverse developments in the economy. As a result, it is generally accepted that lending to these segments of the Guarantor's existing and targeted customer base represents a relatively higher degree of risk than lending to other groups.

A substantial portion of the Guarantor's loan portfolio consists of residential mortgages and consumer loans to middle and lower middle income customers and commercial loans to medium-sized and small-sized companies. Consequently, during periods of economic slowdown the Guarantor's customers are more likely to default on their loans which could have an adverse effect on the its base loan portfolio. On that basis, further adverse developments in the economy, could have a material impact on the Guarantor's liquidity, business, financial condition, results of operations and prospects.

Highly-indebted households and businesses could impact the Guarantor's asset quality and future revenues.

Andorran households and businesses have reached, in recent years, a high level of indebtedness, which represents increased risk for the Andorran banking system. The high proportion of loans referenced to variable interest rates makes debt service on such loans more vulnerable to changes in interest rates than in the past. Highly indebted households and businesses are less likely to be able to service debt obligations as a result of adverse economic events, which could have an adverse effect on the Guarantor's liquidity, business, financial condition, results of operations and prospects.

In addition, the increase in indebtedness and a worsening of the risk profile of households and businesses limits their ability to incur additional debt. This could result in a decrease in the number of new products that the Guarantor may otherwise be able to sell thereby limiting its ability to attract new customers in Andorra and satisfy its credit standards, which in turn could have a material adverse effect on its ability to achieve its growth plans.

Current economic conditions may make it more difficult for the Guarantor to continue funding its business on favourable terms or at all.

Global economic conditions deteriorated significantly between 2007 and 2009. Many major financial institutions, including some of the world's largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies, experienced and some continue to experience, significant difficulties. Around the world, there have been runs on deposits at several financial institutions, numerous financial institutions had to seek additional capital, including obtaining assistance from governments and many lenders and institutional investors reduced or ceased providing funding to borrowers (including to other financial institutions). During this same period, financial systems worldwide experienced difficult credit and liquidity conditions and disruptions leading to less liquidity, greater volatility, general widening of spreads and, in some cases, lack of price transparency on interbank lending rates.

Economic conditions in the Eurozone and peripheral economies continued to remain unstable and volatile between 2009 and 2013 and, more recently, in 2016, with continued dislocation of financial markets.

Furthermore, other factors or events may continue to affect the global economic conditions, such as the United Kingdom's decision to leave the European Union (the "EU") following the results of the referendum held on 23 June 2016, the on-going financial instability in the Italian banking sector, the possible exit of countries from the Eurozone, a sharp slowdown in China, a negative market reaction to interest rate increases by the United States Federal Reserve, heightened geopolitical tensions, war, acts of terrorism, natural disasters or other similar events outside the control of the Issuer and the Guarantor (together with its consolidated subsidiaries, the "**Andbank Group**").

Historically, one of the Guarantor's principal sources of funds has been savings and demand deposits. Large denomination deposits may, under some circumstances, such as during periods of significant changes in market interest rates for these types of deposit products and resulting increased competition for such funds, be a less stable source of deposits than savings and demand deposits.

As a result, governments around the world are implementing ambitious fiscal expansion programmes in an effort to boost their economies. Announcements up to now amount to a substantial fiscal stimulus for the global economy. Fiscal policy may offer the best chance to limit economic deterioration, but execution risks are large.

In this context, the Guarantor cannot provide assurances that it will be able to continue funding its business or maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets.

The Guarantor's business is particularly vulnerable to volatility in interest rates.

The Guarantor's results of operations are substantially dependent upon 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 its control, including regulation of the financial sectors in the markets in which it operates, monetary policies pursued by the EU, national governments, domestic and international economic and political conditions and other factors. Changes in market interest rates could affect the spread between

interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities and thereby negatively affect the Guarantor's results of operations. For example, an increase in interest rates could cause its interest expense on deposits to increase more significantly and quickly than its interest income from loans, resulting in a reduction in its net interest income.

Further, an increase in interest rates may reduce the demand for loans and the Guarantor's ability to originate loans, and contribute to an increase in credit default rates among the Guarantor's customers. Conversely, a decrease in the general level of interest rates may adversely affect the Guarantor through, among other things, increased pre-payments on its loan and mortgage portfolio, lower net interest income from deposits, reduced demand for deposits and increased competition for deposits and loans to clients. Since a substantial part of the Guarantor's loan portfolio (around 65.98 per cent. as at 31 December 2016) consists of variable interest rate loans maturing in more than one year, the Guarantor's business is particularly vulnerable to volatility in interest rates and changes in interest rates may therefore have a material adverse effect on the Guarantor's liquidity, business, financial condition, results of operations and prospects.

Impact of a decrease in the amount of assets under management

As at 31 December 2016, the Andbank Group had €22,000 million of assets under management. The difficult economic conditions, particularly within the Eurozone (where the Andbank Group books over 40 per cent. of its assets under management) and the current challenging investment environment could lead to a reduction in the Andbank Group's assets under management. Changes to the tax and regulatory regimes in the jurisdictions in which the assets under management are located and increasing competition within the private banking sector could also contribute to a decline in assets under management. Any significant decrease in the Andbank Group's assets under management could result in a decrease in net revenues and net profits which may therefore have a material adverse effect on the Guarantor's liquidity, business, financial condition, results of operations and prospects.

Risks relating to the Andbank Group's business

Competition.

All aspects of the businesses of the Andbank Group are highly competitive and the competitive conditions are expected to continue to intensify. The Andbank Group's ability to compete depends on many factors, including its reputation, the quality of its services and advice, intellectual capital, product innovation, execution ability, pricing, sales efforts and the talent of its employees.

Competition in the private banking markets is based on a number of factors, including investment performance, personal relationships, products, pricing, distribution systems, customer service, brand recognition and perceived financial strength. The Andbank Group competes with the private banking divisions of a number of large international financial institutions as well as with established local and regional competitors, including Spanish private banks and private banks based in the local markets in which it operates. In addition, the Andbank Group faces competition from a number of wealth managers, including commercial banks, commercial credit lending, brokerage firms, broker-dealers, insurance companies and other financial institutions in Europe, Asia and the Americas.

The type and degree of competition faced by the Andbank Group depends on the location in which it operates. In Andorra, for example, the Andbank Group faces competition primarily from a number of well-established Andorran private banks with long-standing clients. In growing markets, such as those in Latin America, the Andbank Group faces intense competition from large international banks that are seeking to increase their presence in a growing region.

Many of the Andbank Group's competitors form part of larger financial services groups and attract business through numerous avenues including retail bank offices, commercial credit lending, investment banking contacts, corporate lending and broker-dealers. A number of the Andbank Group's competitors have a stronger brand and are able to offer more comprehensive lines of products and services than the Andbank Group.

In addition, many of the Andbank Group's competitors are systemically important financial institutions that are more likely than the Andbank Group to benefit from government support. As a result, these competitors may be perceived by

clients to provide greater security and stability than the Andbank Group's subsidiaries, which may adversely affect the Andbank Group's ability to attract or retain client relationships and assets under management.

The significant and increasing competition may adversely affect the Andbank Group's future liquidity, business, financial condition, results of operations and prospects.

Any deterioration in the tourism industry in Andorra as a result of an economic slowdown in the economies of neighbouring countries may adversely affect the Andorran economy and the Andbank Group's ability to repay principal and make payments of interest on the Notes

In recent years, tourism has been, and is expected to continue to be, a very important sector of the economy in Andorra. Revenue generated by the tourism industry depends on various factors, including consumer spending power, which may be adversely affected by economic downturns, the public perception of the attractiveness and safety of a potential tourist destination and weather conditions. The majority of tourists visiting Andorra are from EU Member States, in particular Spain and France, and consequently an economic slowdown in, or any deterioration in diplomatic relations with, such Member States could adversely affect the Andorran tourism industry. Negative developments arising from these or other factors could adversely affect the tourism industry in Andorra, which, in turn, could adversely affect the Andorran economy and could have a material adverse effect on the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

Country risk.

Country risk can be described as the transfer and conversion risk that arises from cross-border transactions. Country risk also encompasses sovereign risk, the default risk of sovereigns or state entities acting as borrowers, guarantors or issuers. The Andbank Group's international operations are subject to risk of loss from unfavourable economic, political, legal and other developments in the relevant countries. The Andbank Group is exposed to country risk, in particular as a result of its exposures to sovereign and quasi-sovereign institutions and to banks, other financial institutions and corporations located outside of Andorra. This may adversely affect the Andbank Group's future liquidity, business, financial condition, results of operations and prospects.

Market risk.

Market risk refers to fluctuations in trading of securities, derivatives, foreign exchange rates, share and commodity prices. The Andbank Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates, commodities and equity prices. Market risk derives from trading in treasury and investment market products for which prices are fixed daily, as well as from more traditional banking business, such as loans. This may adversely affect the Andbank Group's future liquidity, business, financial condition, results of operations and prospects.

Currency risk.

The Andbank Group is exposed to currency risk in connection with the capital of its subsidiary banks that is denominated in local currencies. The Andbank Group is also exposed to foreign currency fluctuations because a significant part of its revenues relate to fees charged on assets under management denominated in currencies other than the euro (as at the date of these Listing Particulars, approximately 40 per cent. of such fees were charged in U.S.\$). Moreover, many of the Andbank Group's operating subsidiaries use local currencies as their functional reporting currencies, which may result in volatility in reported earnings as a result of fluctuations in exchange rates between the functional reporting currencies of its subsidiaries and the euro. The Andbank Group does not have currency hedging arrangements in place to minimise the effects of exchange rate fluctuations on the reporting of its subsidiary banks (currency translation risk). Fluctuations in exchange rates against the euro, particularly that of the US dollar, could materially and adversely affect the Andbank Group's financial position.

Credit or counterparty risk.

The Andbank Group is exposed to the creditworthiness of its customers and counterparties. Defaults by, and questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions.

A default by a significant financial counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Andbank Group's liquidity, business, financial condition, results of operations and prospects. Although the Andbank Group regularly reviews its exposure to its clients and other counterparties, as well as its exposure to certain economic sectors and regions that the Andbank Group believes to be particularly critical, payment defaults may arise from events and circumstances that are unforeseeable or difficult to predict or detect. In addition, collateral and security provided to the Andbank Group may be insufficient to cover the exposure or others' obligations to the Andbank Group.

Whilst the Andbank Group follows a prudent policy in assigning credit limits, authorising exposure only to countries with high credit ratings and in these countries only to financial institutions with investment grade credit ratings, the failure of any counterparty to meet its obligations to the Andbank Group could adversely affect the Andbank Group's financial position and result in potential losses.

Liquidity risk.

The inability of a bank or financial institution, including any of the Andbank Group's subsidiaries, to anticipate and provide for unforeseen decreases or changes in funding sources could have an adverse effect on its ability to meet its obligations when they fall due.

Liquidity risk is the risk that the Issuer or any other member of the Andbank Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or that they can only do so on terms that are materially disadvantageous.

The Guarantor's main source of liquidity and funding is its customer deposit base, as well as on-going access to the long-term or short-term debt, repurchase, or securities lending markets. In recent years, however, the prevalence of historically low interest rates has resulted in customers favouring alternative financial products with greater profitability potential over savings accounts or certificates of deposit. Since the Andbank Group relies on short-term securities and current accounts for a material portion of its funding, it cannot provide any assurance that, in the event that its depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans or in the event of a sudden or unexpected shortage of funds in the banking systems or money markets in which the Guarantor or the Andbank Group operates or a loss of confidence (including as a result of political or social tensions in the regions where it operates or political initiatives, including bail-in and/or confiscation and/or taxation of creditors' funds), the Guarantor will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets and resulting in an adverse effect on the Guarantor's liquidity, business, financial condition, results of operations and prospects.

Although the Andbank Group places significant emphasis on liquidity risk management and focuses on maintaining a liquidity surplus in the short term, the Andbank Group is exposed to the general risk of liquidity shortfalls and cannot ensure that the procedures in place to manage such risks will be adequate to mitigate liquidity risk. The inability of a bank or financial institution, including any of the Andbank Group's subsidiaries, to anticipate and provide for unforeseen decreases or changes in funding sources could have an adverse effect on its ability to meet its obligations when they fall due. In this context it should be noted that the Guarantor is a holding company and therefore all its liquid assets are held by its subsidiaries which might negatively impact the Guarantor's ability to generate cash reserves.

Reputational risks.

The Andbank Group's reputation, which may be affected by shortcomings under any risk category, is critical in maintaining its relationships with clients, investors, regulators and the general public, and is a key focus in its risk management efforts. The Andbank Group is involved in several judicial, regulatory and arbitration proceedings

concerning matters arising in connection with the conduct of its business. There have been a number of highly publicised cases involving fraud or other misconduct by employees in the financial services industry in recent years, and the Andbank Group is exposed to the risk of fraud, misconduct or improper practice by its employees. Internal procedures or precautions which are in place to prevent and detect such fraud, misconduct or improper practice may not be effective in all cases. Substantial legal liability or a significant regulatory action against the Andbank Group, or adverse publicity, governmental scrutiny or legal and enforcement proceedings regardless of the ultimate outcome, could cause significant reputational damage to the Andbank Group and adversely affect the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

Operational risk.

The Andbank Group's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of third party systems, for example, those of the Andbank Group's suppliers or counterparties. Although the Andbank Group has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks. Any failure to do so may adversely affect the Andbank Group's future liquidity, business, financial condition, results of operations and prospects.

Risks relating to the Guarantor's credit rating or Andbank Group's perceived credit worthiness.

The Guarantor's credit rating and related perceptions of the Andbank Group's creditworthiness affect both the terms on which counterparties are willing to transact with the Andbank Group and, in some cases, the willingness of clients to do business with the Andbank Group. Rating downgrades or changes in perceptions of the Guarantor's creditworthiness may limit the terms on which the Andbank Group is able to conduct foreign exchange transactions, enter into derivative agreements as part of its hedging activities and may cause clients to be reluctant to do business with the Andbank Group.

Therefore, a reduction in the Guarantor's credit rating or a material change in its perceived credit worthiness could have a material adverse effect on the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

Risks relating to the legal and regulatory environments in which the Andbank Group operates

Impact of regulatory changes in the financial services industry.

The financial services industry is among the most highly regulated industries in the world. In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. Legislation has already been enacted and regulations issued in response to some of these proposals. The regulatory framework for financial institutions is likely to undergo further significant change. This creates significant uncertainty for the Andbank Group and the financial industry in general. The wide range of recent actions or current proposals includes, among other things, provisions for more stringent regulatory capital and liquidity standards, special bank levies and financial transaction taxes, recovery and resolution powers to intervene in a crisis, including "bail-in" of creditors, separation of certain businesses from deposit taking, stress testing and capital planning regimes, heightened reporting requirements and reforms of derivatives, other financial instruments, investment products and market infrastructures.

The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still ongoing. In addition, since some of these laws and regulations have been recently adopted, the manner in which they are applied to the operations of financial institutions is still evolving. No assurance can be given that laws or regulations will be enforced or interpreted in a manner that will not have a material adverse

effect on the Andbank Group's liquidity, business, financial condition, results of operations and prospects. In addition, regulatory scrutiny under existing laws and regulations has become more intense.

Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been steadily increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis, and these may especially affect financial institutions such as the Andbank Group.

Additionally, regulatory fragmentation, with some countries implementing new and more stringent standards or regulation, could adversely affect the Andbank Group's ability to compete with financial institutions based in other jurisdictions which do not need to comply with such new standards or regulation and the Andbank Group may face higher compliance costs.

Changes in supervision and regulation, in particular in Andorra, could materially affect the Andbank Group's business, the products and services offered or the value of its assets. Although the Guarantor works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the Andbank Group's control. This may adversely affect the Andbank Group's future liquidity, business, financial condition, results of operations and prospects.

Adverse regulatory developments or changes in government policy relating to any of the foregoing or other matters could have a material adverse effect on the Guarantor and the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

Basel III requirements.

The progressive implementation of the changes proposed by the Basel Committee on Banking Supervision with regard to capital adequacy and liquidity requirements may, when fully implemented, result in increased costs for the Andbank Group or may require it to adjust its business strategy in order to comply with the new requirements. Basel III implementation differs across jurisdictions in terms of timing and the applicable rules, and this lack of uniformity in the implementation of rules may lead to an uneven playing field and competition distortions, and could adversely affect a bank with international operations such as the Guarantor, thus undermining its profitability. Prospective investors should consult their own advisers as to the consequences of the implementation of Basel III.

The Andorran bank resolution regime.

On 2 April 2015, the Andorran government passed the Andorran Act 8/2015 of 2 April 2015 on urgent measures to implement restructuring and resolution mechanisms of banking entities (*Llei 8/2015, del 2 d'abril, de mesures urgents per implementar mecanismes de reestructuració i resolució d'entitats bancàries*) ("**Act 8/2015**"), which establishes a framework for the recovery and resolution of banking entities aligned with the European Union Directive 2014/59/EU ("**BRRD**"). The implementation of Act 8/2015 is intended to reflect the provisions of the BRRD, the stated aim of which is to provide authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The rights conferred on the Andorran Banking Resolution Agency (*Agència Estatal de Resolució d'Entitats Bancàries* or the "**AREB**") under Act 8/2015 are of a dual nature, comprising (i) commercial powers and (ii) administrative powers.

The commercial powers and administrative powers of the AREB under Act 8/2015 can be summarised into the following categories: (i) a transfer of the ownership of all or part of the shares or instruments of the failing entity; (ii) a transfer of all or part of the assets and liabilities of the failing entity; (iii) the amortisation and reduction, or conversion into equity, of the principal or nominal amounts of the failing entity's obligations and liabilities (known as the "**bail-in power**"); and (iv) the segregation, increase or reduction of the failing entity's share capital.

In addition, the Andorran Fund for the Resolution of Banking Institutions ("**FAREB**") was created for the purpose of financing the measures agreed by the AREB in the application of Act 8/2015. The initial fund of EUR 30,000,000 was financed by the banks in Andorra, including the Guarantor.

Any exercise of the powers implemented by the Act 8/2015, or any suggestion of any such exercise, in respect of the Issuer, the Guarantor, the Andbank Group and/or the Notes could materially adversely affect the ranking and the value of any Notes and could lead to the Noteholders losing some or all of the value of their investment in the Notes. See further the section entitled "*Impact of the Andorran resolution regime on the Andbank Group*" below.

Impact of the Andorran resolution regime on the Andbank Group.

Act 8/2015 confers powers on the AREB designed to enable it to take a range of actions (as described above) in relation to Andorran banks and certain of their affiliates in the event the Andorran bank is considered to be failing or likely to fail. The exercise of any of these actions, or any suggestion of such exercise, in relation to the Issuer, the Guarantor, the Andbank Group and/or the Notes could materially adversely affect the ranking and/or the value of any Notes.

The AREB has the power to cancel all or a portion of the principal or nominal amounts of, or interest on, certain liabilities of a failing entity and/or to convert certain debt claims into another security, including ordinary or common shares of the surviving group entity, if any, which may itself be written down. Certain liabilities are excluded from the scope of bail-in powers, including liabilities to the extent they are secured.

Although Act 8/2015 provides specific conditions to the exercise of any resolution powers, it is uncertain how the AREB would assess such conditions in any particular pre-insolvency scenario affecting the Guarantor and/or other members of the Andbank Group in deciding whether to exercise a resolution power. The AREB is also not required to provide any advance notice to holders of the Notes of its decision to exercise any resolution power. Therefore, holders of the Notes may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Guarantor, the Andbank Group and/or the Notes.

The exercise of any actions contemplated in Act 8/2015, or any suggestion of such exercise, in respect of the Issuer, the Guarantor, the Andbank Group and/or the Notes could materially adversely affect the price or value of an investment in the Notes and/or the ability of the Issuer or the Guarantor to satisfy their obligations under such Notes and could lead to the holders of the Notes losing some or all of their investment in the Notes. Prospective investors in the Notes should consult their own advisors as to the consequences of the implementation of any provision of Act 8/2015.

Holders may have only very limited rights to challenge the exercise of any resolution powers by the AREB.

Holders may have only very limited rights compared to those under Andorran law under normal circumstances to challenge and/or seek a suspension of any decision of the AREB to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

The AREB may exercise the bail-in power in respect of the Issuer, the Guarantor, the Andbank Group and/or the Notes, which may result in holders of the Notes losing some or all of their investment.

Increased compliance requirements.

Legislation and rules adopted both in Andorra and around the world in recent years have imposed substantial new or more stringent regulations, internal practices, capital requirements, procedures and controls and disclosure requirements in such areas as financial reporting, corporate governance, auditor independence, equity compensation plans, restrictions on the interaction between equity research analysts and investment banking employees and money laundering. The scrutiny of the financial services industry has increased over the past few years, which has led to increased regulatory investigations and litigation against financial services firms. The trend and scope of increased compliance requirements has increased costs necessary to ensure compliance and may require the Andbank Group (including the Issuer and the Guarantor) to invest in additional resources to ensure compliance. The Andbank Group's reputation is critical in maintaining the Andbank Group's relationships with clients, investors, regulators as well as the general public, and is a key focus in the Andbank Group's risk management efforts. Should the Andbank Group violate

any applicable regulation legal and/or administrative proceedings, this may result in censures, fines, cease-and-desist orders or suspension of the firm, its officers or employees and could have a material impact on the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

Effect of regulatory changes on the Andbank Group's clients.

The Andbank Group is exposed to the risk that its clients may move assets away from jurisdictions in which it operates. In particular, regulatory or tax changes in either the jurisdiction where the assets are held or in the jurisdiction where the assets are domiciled might cause clients to shift their assets away from or towards particular jurisdictions. The extent to which tax and regulatory changes cause the Andbank Group's clients to move assets away from jurisdictions where the Andbank Group has a strong presence has the potential to reduce the Andbank Group's assets under management. As a result of any such development, the Andbank Group's liquidity, business, financial condition, results of operations and prospects may be adversely affected.

Because assets under management booked in Andorra represent an important part of the Andbank Group's overall business, it is particularly exposed to the risk of changes in Andorran banking secrecy or other laws. Any future change in the Andorran banking secrecy laws, allowing foreign authorities, regulators and other interested parties to request the disclosure of the identity of the Andbank Group's clients, or the anticipation of such a change could result in some of the Andbank Group's clients' assets being moved away from Andorra to other markets. This may cause a decline of the Andbank Group's assets under management and may adversely affect the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

Risk of loss from legal and regulatory claims.

The Andbank Group is and in the future may be involved in various claims, disputes, legal proceedings and governmental investigations in jurisdictions where the Andbank Group is active. These types of claims and proceedings may expose the Andbank Group, as the case may be, to monetary damages, direct or indirect costs or financial loss, civil and criminal penalties, loss of licenses or authorisations, or loss of reputation, as well as the potential for regulatory restrictions on the Andbank Group's businesses, all of which could have a material adverse effect on the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

Compliance with anti-money laundering and anti-terrorism financing rules involves significant cost and effort.

The Andbank Group is subject to rules and regulations regarding money laundering and the financing of terrorism which have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of enhanced government supervision. Although the Andbank Group believes that its current policies and procedures are sufficient to comply with applicable rules and regulations, it cannot guarantee that the Andbank Group-wide anti-money laundering and anti-terrorism financing policies and procedures completely prevent situations of money laundering or terrorism financing. Any of such events may have severe consequences, including sanctions, fines and notably reputational consequences, which could have a material adverse effect on the Andbank Group's liquidity, business, financial condition, results of operations and prospects.

The Andbank Group is dependent on key personnel.

The Andbank Group is dependent on the services of key personnel and its ability to continue to attract and retain such personnel. The Andbank Group's success will depend, in part, on its ability to continue to attract, retain and motivate qualified personnel. The Andbank Group relies on its senior management for the implementation of its strategy and its day-to-day operations. Competition for personnel with relevant expertise may be intense. A failure by the Andbank Group to manage its personnel needs successfully could have a material adverse effect on the Andbank Group's business, liquidity, business, financial condition, results of operations and prospects.

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 wide 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:

Risks applicable to all Notes

Notes are unsecured obligations of the Issuer and the Guarantor.

The Notes issued by the Issuer are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves. Each issue of Notes will be guaranteed by the Guarantor pursuant to the Guarantee. The obligations of the Guarantor under the Guarantee are direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and will rank *pari passu* among themselves, subject as may from time to time be mandatory under Andorran law.

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

An optional redemption feature of Notes is likely to limit their market value. 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.

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.

Risks applicable to certain types of Notes

There are particular risks associated with an investment in certain types of Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated.

Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;

- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical performance of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

If 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 may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, 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. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

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 LIBOR. 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.

Risks related to Renminbi-denominated Notes

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. A description of risks which may be relevant to an investor in Renminbi Notes are set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

In respect of Renminbi foreign direct investments ("**FDI**"), the People's Bank of China ("**PBoC**") promulgated the Administrative Measures on Renminbi Settlement of Foreign Direct Investment (the "**PBoC FDI Measures**") on 13 October 2011 as part of PBoC's detailed Renminbi FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, PBoC issued a circular setting out the operational guidelines for Renminbi settlement of FDI to provide further guidelines for implementing the PBoC FDI Measures. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post event filing with the PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the "**MOFCOM Circular**"), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify "Renminbi Foreign Direct Investment" and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies by strategic investors) or for entrustment loans in the PRC.

To support to the development of the China (Shanghai) Free Trade Pilot Zone (the "**Shanghai FTZ**"), the Shanghai Head Office of PBoC issued a number of circulars on supporting the expanded cross-border utilisation of Renminbi and/or implementing the relevant rules of macro-prudent management of overseas financing cross-border fund flow in the Shanghai FTZ (the "**PBoC Shanghai FTZ Circulars**") since 2014, which allows banks in Shanghai to settle FDI based on a foreign investor's instruction. In respect of FDI in industries that are not on the "negative list" of the Shanghai FTZ, the MOFCOM approval previously required is replaced by a filing. However, the application of the Shanghai FTZ Circular is limited to the Shanghai FTZ. In addition, enterprises in the Shanghai FTZ can borrow Renminbi from offshore lenders within the prescribed limit, while the banks in the Shanghai FTZ can directly borrow offshore Renminbi, although the utilisation has geographical restrictions and the interpretation of which is still unclear.

The PBoC FDI Measures, the MOFCOM Circular and the PBoC Shanghai FTZ Circulars will be subject to interpretation and application by the relevant authorities in the PRC.

Although starting from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over crossborder remittance of Renminbi in the future, that the pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have

the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the PBoC has established Renminbi clearing and settlement mechanisms for participating banks in certain countries including Hong Kong, London, Macau, Singapore and Taiwan through settlement agreements on the clearing of Renminbi business with Bank of China (Hong Kong) Limited in Hong Kong, China Construction Bank (London) Limited in London, Bank of China, Macau Branch in Macau, Industrial and Commercial Bank of China, Singapore Branch in Singapore and Bank of China, Taipei Branch in Taiwan, among others (each, a "**Renminbi Clearing Bank**"), and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of crossborder Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the relevant Issuer is required to source Renminbi in the offshore market to service the Renminbi Notes, there is no assurance that such Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks.

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. Recently, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to the Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in the Renminbi Notes is subject to currency risk.

If the relevant Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), such Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

Investment in the Renminbi Notes is subject to interest rate risks.

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to the Notes may be made only in the manner designated in the Notes.

All payments to investors in respect of the Notes will be made solely (a) for so long as the Notes are represented by a Temporary Global Note or a Permanent Global Note held with the common depositary for Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong, or (b) for so long as the Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Neither the Issuer nor the Guarantor can be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws.

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is income derived from sources within the PRC.

However, uncertainty remains as to whether the gain realised from the transfer of the Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Note Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to the PRC EIT or IIT on capital gains derived from a sale or exchange of the Renminbi Notes.

Therefore, if non-PRC resident enterprise or individual Holders are required to pay PRC income tax on gains derived from the transfer of the Renminbi Notes (such EIT is currently levied at the rate of ten per cent. of gains realised and such IIT is currently levied at the rate of 20 per cent. of gains realised (with deduction of reasonable expenses), unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC resident enterprise or individual holders of the Renminbi Notes reside that reduces or exempts the relevant EIT or IIT), the value of their investment in the Renminbi Notes may be materially and adversely affected.

Remittance of proceeds into or out of the PRC in Renminbi.

In the event that the Issuers decide to remit some or all of the proceeds into the PRC in Renminbi, their ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the relevant Issuer does remit some or all of the proceeds into the

PRC in Renminbi and the Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Risks related to Notes generally

Set out below is a description of material 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 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 may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

U.S. Withholding on Dividend Equivalent Payments.

Under Section 871(m) of the U.S. Internal Revenue Code (the "**Code**") and regulations thereunder ("**Section 871(m)**"), payments on financial instruments that reference shares of one or more U.S. corporations may be treated as "dividend equivalent" payments that are subject to U.S. withholding tax at a rate of 30 per cent. Generally, a "dividend equivalent" is a payment that is directly or indirectly contingent upon a U.S. source dividend or is determined by reference to a U.S. source dividend. For financial instruments issued on or after 1 January 2017 but prior to 1 January 2018, regulations under Section 871(m) provide that dividend equivalent payments will be subject to withholding if the instrument has a "delta" of one with respect to either an underlying U.S. stock or a U.S. stock component of an underlying index or basket. For financial instruments issued on or after 1 January 2018, dividend equivalent payments on (1) a "simple" financial instrument that has a delta of 0.8 or greater with respect to an underlying U.S. stock or a U.S. stock component of an underlying index or basket and (2) a "complex" financial instrument that meets the "substantial equivalence" test with respect to an underlying U.S. stock or a U.S. stock component of an underlying index or basket, will be subject to withholding tax under Section 871(m). An issue of Notes that references an index or basket that is treated as a "qualified index" will not be subject to withholding under Section 871(m), even if such Notes meet, as applicable, the delta or substantial equivalence test. In general, a qualified index is a diverse, passive, and widely used index that satisfies the technical requirements prescribed by regulations.

The delta of a financial instrument generally is defined as the ratio of the change in the fair market value of the instrument to a small change in the fair market value of the number of shares of the underlying U.S. corporation, determined either as of the pricing or issue date of the instrument, in accordance with applicable regulations. A financial instrument generally will be treated as having a delta of one if it provides for 100 per cent. participation in all of the appreciation and depreciation of one or more underlying U.S. stocks. Very broadly, the substantial equivalence test analyses whether a financial instrument has a correlation to the applicable underlying U.S. stock that is at least as great as that of a simple financial instrument with a delta of at least 0.8.

The relevant Pricing Supplement will indicate if the Issuer has determined that the particular issue of Notes is expected to be subject to withholding under Section 871(m). Any determination by the Issuer on the application of Section 871(m) to a particular Note generally is binding on Noteholders, but is not binding on the U.S. Internal Revenue Service ("**IRS**"). The Section 871(m) regulations require complex calculations to be made with respect to Notes referencing shares of U.S. corporations and their application to a specific issue of Notes may be uncertain. Accordingly, even if the Issuer determines that a Note is not subject to Section 871(m), the IRS could assert that withholding is required in respect of such Note, including where the IRS concludes that the delta or substantial equivalence with respect to the Note was determined more than 14 days prior to the Note's issue date.

In addition, a Note may be treated as reissued for purposes of Section 871(m) upon a significant modification of the terms of the Note. In this context, a rebalancing or adjustment to the components of an underlying index or basket may result in the deemed reissuance of the Note. In that case, a Note that was not subject to withholding under Section 871(m) at issuance may become subject to withholding at the time of the deemed reissuance. In addition, a Note that in isolation is not subject to Section 871(m) may nonetheless be subject to Section 871(m) if the Noteholder has engaged, or engages, in other transactions in respect of an underlying U.S. stock or component of an underlying index or basket. In such situations, such Noteholders could be subject to Section 871(m) tax even if the Issuer does not withhold in respect of the Note. Further, a Noteholder may be required, including by custodians and other withholding agents with respect to the Note, to make representations regarding the nature of any other positions with respect to U.S. stock directly or indirectly referenced (including components of any index or basket) by such Note. A Noteholder that enters, or has entered, into other transactions in respect of a U.S. stock, component of an underlying index or basket, or the Notes should consult its own tax advisor regarding the application of Section 871(m) to the Notes and such other transactions.

If an issue of Notes is determined to be subject to U.S. withholding tax under Section 871(m), information regarding the amount of each dividend equivalent, the delta of the Notes, the amount of any tax withheld and deposited, the estimated

dividend amount (if applicable), and any other information required under the regulations, will be provided, communicated, or made available to Noteholders in a manner permitted by applicable regulations. Withholding on payments will be based on actual dividends on the underlying U.S. stock or, if otherwise notified by the Issuer in accordance with applicable regulations, on estimated dividends used in pricing the Notes. Where an issue of Notes that references estimated dividend amounts also provides for any additional payments to reflect actual dividends on the underlying U.S. stock, withholding tax will also apply to any additional payments.

If the Issuer determines that a Note is subject to withholding under Section 871(m), it will withhold tax in respect of the actual (or estimated, as described above) dividends that are paid on the underlying U.S. stock, even if the Issuer does not make a concurrent payment to the Noteholder. In addition, the U.S. tax may be withheld on any portion of a payment or deemed payment (including, if appropriate, the payment of the purchase price) that is a dividend equivalent. Such withholding may occur at the time a dividend is paid on the relevant U.S. stock (or, in certain cases, at the close of the quarter upon which the dividend is paid). Upon remitting the taxes withheld to the IRS, any increase in value of the relevant asset, index or basket or distributions to a Noteholder in respect of a dividend equivalent will reflect the amount of the dividend net of the withholding described above.

The rate of any withholding generally will not be reduced even if the Noteholder is otherwise eligible for a reduction under an applicable treaty, although the Noteholder may be able to claim a refund for any excess amounts withheld by filing a U.S. tax return. However, Noteholders may not receive the necessary information to properly claim a refund for any withholding in excess of the applicable treaty-based amount. In addition, the IRS may not credit a Noteholder with withholding taxes remitted in respect of its Note for purposes of claiming a refund. Finally, a Noteholder's resident tax jurisdiction may not permit the holder to take a credit for U.S. withholding taxes related to the dividend equivalent amount. The imposition of this U.S. withholding tax will reduce the amounts received by Noteholders as neither the Issuer nor any other person shall pay any additional amounts to any Noteholder in respect of such U.S. withholding. Noteholders should consult with their tax advisors regarding the application of Section 871(m) to their Notes.

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

The conditions of the Notes are based on English law in effect as at the date of these Listing Particulars. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of these Listing Particulars and any such change could materially adversely impact the value of any Notes affected by it.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Reliance on Euroclear and Clearstream, Luxembourg procedures

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

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

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

The Notes do not restrict the amount of debt which the Issuer may incur

The Terms and Conditions of the Notes do not contain any restriction on the amount of indebtedness which the Issuer may from time to time incur. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with other unsecured senior indebtedness of the Issuer and, accordingly, any increase in the amount of unsecured senior indebtedness of the Issuer in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 3 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuer to secure present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

Risks related to the market generally

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

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

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. 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 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.

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

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee 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 or the Guarantor 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 Guarantor 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 Guarantor or the Notes. 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 revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), 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 non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of these Listing Particulars.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and form part of, these Listing Particulars:

- (a) the audited non-consolidated annual financial statements for the financial year ended 31 December 2015 of the Issuer (the "**Issuer 2015 Financial Statements**") including the information set out at the following pages in particular:

Balance Sheet	Page 6
Profit and Loss Account	Page 7
Accounting Principles and Notes	Pages 9 to 24
Independent Auditor's Report.....	Pages 6* to 7*

* These page numbers are references to the PDF pages included in such document.

- (b) the audited non-consolidated annual financial statements for the financial year ended 31 December 2014 of the Issuer (the "**Issuer 2014 Financial Statements**") including the information set out at the following pages in particular:

Balance Sheet	Page 5
Profit and Loss Account	Page 6
Accounting Principles and Notes	Pages 8 to 17
Independent Auditor's Report.....	Pages 20* to 21*

* These page numbers are references to the PDF pages included in such document.

- (c) pages 33 to 91 (inclusive) of the Guarantor's Annual Report for 2016, which set out the audited consolidated annual financial statements for the financial year ended 31 December 2016 of the Guarantor (the "**Guarantor 2016 Financial Statements**") including the information set out at the following pages in particular:

Balance Sheet	Pages 38 to 39
Income Statement	Pages 41 to 42
Notes to the Consolidated Financial Statements and Accounting Principles and Notes.....	Pages 45 to 91
Independent Auditor's Report.....	Pages 33 to 35

- (d) pages 30 to 88 (inclusive) of the Guarantor's Annual Report for 2015 which sets out the audited consolidated annual financial statements for the financial year ended 31 December 2015 of the Guarantor (the "**Guarantor 2015 Financial Statements**") including the information set out at the following pages in particular:

Balance Sheet	Pages 34 to 35
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Income Statement.....	Pages 37 to 38
Notes to the Consolidated Financial Statements and Accounting Principles and Notes.....	Pages 41 to 88
Independent Auditor's Report.....	Pages 30 to 31

- (e) the terms and conditions of the €50,000,000 Series 1 Fixed Coupon Notes due 18 February 2031 (the "**Series 1 Notes**") and the €100,000,000 Series 2 Fixed Coupon Monthly Puttable Notes due 4 May 2021 (the "**Series 2 Notes**") set out on pages 55 to 81 (inclusive) of the Base Prospectus dated 4 September 2015, as amended by the written resolution of holders of the Series 1 Notes and the Series 2 Notes dated 17 February 2017 and 15 February 2017 (respectively).

Following the publication of these Listing Particulars a supplement may be prepared by the Issuer and approved by the Irish Stock Exchange. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in these Listing Particulars or in a document which is incorporated by reference in these Listing Particulars. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Listing Particulars.

Any documents themselves incorporated by reference in the documents incorporated by reference in these Listing Particulars shall not form part of these Listing Particulars.

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

For as long as the securities are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market, copies of documents incorporated by reference in these Listing Particulars can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg. The Guarantor's Annual Reports for 2015 and 2016 are available on the Guarantor's website at <http://www.andbank.com/en/about-us>. The Issuer's audited non-consolidated financial statements for the financial years ended 31 December 2014 and 31 December 2015 are available on the website of the Irish Stock Exchange at <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/ShowSecSpecialist/?secID=4835>. The Base Prospectus dated 4 September 2015 relating to the Series 1 Notes and Series 2 Notes is available at <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/ShowSecSpecialist/?secID=4835>.

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in these Listing Particulars which is capable of affecting the assessment of any Notes, prepare a supplement to these Listing Particulars or publish new Listing Particulars for use in connection with any subsequent issue of Notes.

The audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2016 have been prepared in accordance with Andorran GAAP. The audited consolidated financial statements of the Guarantor as at and for the financial year ending 31 December 2017 and as at and for each financial year ending 31 December thereafter will be prepared in accordance with IFRS. The Group Guarantor will also prepare its consolidated financial statements as at and for the financial year ending 31 December 2017 in accordance with Andorran GAAP. To the extent the Guarantor prepares any interim financial statements, these will be unaudited and prepared in accordance with IFRS.

RECONCILIATION TO IFRS OF SELECTED FINANCIAL INFORMATION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Guarantor's consolidated financial statements have been prepared using Andorran Accounting Principles. There are certain significant differences between International Financial Reporting Standards ("IFRS") and Andorran Accounting Principles. Significant differences relevant to the Guarantor's financial statements are discussed below. These Listing Particulars do not include a qualitative or detailed quantitative reconciliation of financial information and related footnotes prepared in accordance with Andorran Accounting Principles and IFRS. Accordingly, undue reliance should not be placed on the completeness of the reconciliation. Investors should consult their own professional advisors for an understanding of the differences between IFRS and Andorran Accounting Principles and how these differences might affect the financial information herein. Investors should not consider this summary to be exhaustive. Investors must examine the Issuer, Andbank and their financial information on their own.

No attempt has been made to identify: (i) all classification, disclosure and presentation differences between Andorran Accounting Principles and IFRS that would affect the manner in which transactions and events are presented in the financial statements or notes thereto; (ii) future differences between IFRS and Andorran Accounting Principles as the result of the prescribed changes in accounting standards. Regulatory bodies that promulgate IFRS and Andorran Accounting Principles have significant projects ongoing that could affect future comparisons such as this one; and (iii) future differences between IFRS and Andorran Accounting Principles that may affect Andbank's financial statements as a result of transactions or events that may occur in the future.

In respect of the financial periods from (and including) 1 January 2017, the Guarantor will be required to prepare its consolidated financial statements in accordance with IFRS. The Group Guarantor will also prepare its consolidated financial statements as at and for the financial year ending 31 December 2017 in accordance with Andorran GAAP. Guarantor has restated selected financial information in respect of the financial year ended 31 December 2016 in accordance with IFRS. Such restated financial statements are set out below.

The following table contains the Guarantor's statement of financial position as at 31 December 2016 extracted from the Guarantor 2016 Financial Statements, as well as the figures as at 31 December 2016 restated to IFRS.

	31 December 2016 (Andorran GAAP)	IFRS Adjustments	31 December 2016 (As restated to IFRS)
	(EUR millions)	(EUR millions)	(EUR millions)
ASSETS			
Cash and bank and credits institutions	1,737		1,737
Loans and receivables	1,604	(36)	1,568
Investment securities	1,150	(1)	1,149
Intangible assets	253	(10)	243
Tangible assets	104	(17)	87
Accrued income and other assets	141	25	166
Total assets	4,989	(39)	(4,950)
Creditors	3,997		3,997
Debt securities	160		160
Provisions	21	(1)	20
Subordinated liabilities	50		50
Accrued expenses and other liabilities	185	26	211

Share Capital and Reserves	527	(61)	466
Profit	47	(3)	44
Minority interests	2		2
Total Liabilities	4,989	(39)	4,950

PROFIT AND LOSS

Interest and similar income	138	(62)	76
Interest and similar charges	(97)	61	(36)
Net interest margin	41	(1)	40
Net fees and commissions on services	164		164
Gains on financial assets or liabilities	51	(0)	51
Gross margin	256	(1)	255
Operating expenses	(173)		(173)
Depreciation and amortisations	(22)		(22)
Net operating margin	61		60
Provisions for loan losses and others	(5)	(3)	(8)
Profit from ordinary activity	56	(4)	52
Extraordinary profit/loss	(3)		(3)
Profit before income tax	53	(4)	49
Income tax	(6)	1	5
Consolidated Profit	47	(3)	44

PRINCIPAL DIFFERENCES BETWEEN INTERNATIONAL FINANCIAL REPORTING STANDARDS AND ANDORRAN ACCOUNTING PRINCIPLES

The matters described below summarise certain significant differences between Andorran Accounting Principles and IFRS that may be material to the financial information included in these Listing Particulars. These Listing Particulars do not include a qualitative or detailed quantitative reconciliation of financial information and related footnotes prepared in accordance with Andorran Accounting Principles and IFRS. Accordingly, undue reliance should not be placed on the completeness of the reconciliation. Each prospective investor should consult its own professional advisers for an understanding of the differences between Andorran Accounting Principles and IFRS and how those differences might affect the financial information included in these Listing Particulars.

The differences highlighted below reflect only those differences in accounting policies in force at the time of the preparation of the Andorran GAAP audited financial statements. No attempt has been made to identify future differences between Andorran GAAP and IFRS, as the result of prescribed changes in accounting standards, transactions or events that may occur in the future. Regulatory bodies that promulgate Andorran GAAP and IFRS have significant ongoing projects that could affect future comparisons, such as this one between Andorran GAAP and IFRS. Future developments or changes in Andorran GAAP and IFRS may give rise to additional differences between Andorran GAAP and IFRS, which could have a significant impact on the Guarantor.

Due from financial intermediaries – allowance for credit losses

Under Andorran regulations, it is necessary to make a generic provision for the sum of 0.5 per cent. of the bank deposits with a maturity of longer than one working day in order to provide coverage for those losses that may arise in the future in risks that cannot be identified individually as being problematic currently. In addition, there is a generic provision for financial assets ranging from 0.5 per cent. up to one per cent. depending on the asset profile. This type of provision is not possible under IFRS since IFRS requires that these are specifically assigned to each one of the risks concerned.

Loans and credits portfolio – allowance for credit losses

Under Andorran regulations, all entities must establish rules for the provision of the insolvency risk associated with the credit investment portfolio. The cited provisions will be undertaken in both a generic manner, on the basis of certain percentages laid down according to the nature of the risk covered. In relation to the cited provisions, IFRS 39: Financial Instruments: Recognition and Measurement, sets out the following:

- (a) The deterioration of a financial asset takes place when there is objective evidence that the entirety of the loan will not be covered due to facts occurring that have an effect on forecasted future flows. The losses expected as the result of future losses are not recognised, regardless of their likelihood.
- (b) The deterioration of an asset (accounted at its amortisable cost) is calculated as the difference between the book value of the asset less the updating of all future forecast cash flows, discounted at the original effective interest rate of the loan. The forecast of the flows will be made on a hypothetical basis and based on reasonable and justified forecasts.
- (c) An analysis of the deterioration of the loans portfolio will be undertaken making a distinction between loans that are significant and loans that are not. This distinction will be applied when determining whether the analysis will be made individually or in a collective manner. In the loans portfolio in which there is no objective evidence of deterioration, this will be grouped together according to the risks that have the same characteristics, and an analysis by homogenous groups will be made. A decision will be made as to the deterioration for these portfolios with similar risks on the basis of behavioural statistics obtained from the historical evidence of the institution or from other models.

In accordance with the Andorran financial system's accounting plan, any provision for loan losses is calculated according to the following criteria:

- The specific provision, which covers all types of assets and memorandum account items, is determined based on individualised studies of the quality of the risks contracted with the principal debtors and borrowers on the basis, mainly, of guarantees available and the time expired since the maturity date.
- The general provision is based on 0.5 per cent. of the net loans and fixed-income securities with banking institutions and one per cent. of the net loans to customers and fixed-income securities, except for the part covered by cash pledged by contract or collateralised quoted securities up to the market value of these securities, mortgage-backed loans and loans and credits on income securities issued by the central administrations of Andorra and the countries of the Organisation of Economic Cooperation and Development or expressly guaranteed by these institutions.
- The country risk provision is determined by a global analysis of the above-mentioned risks with the criteria of maximum caution to determine the necessary coverage. For the global risk evaluation, the development of the payment balances, the debt level, the charges to cover the debt, the debt rates in secondary international markets, as well as other indicators and circumstances in the country are considered.

Since 2010, in compliance with Andorran National Institute of Finance ("INAF") Technical Communiqué 198/10, independent experts are commissioned to review the appraisals of the mortgage collateral for the loan portfolio, and additional provisions for loan losses were recognised based on the results of the appraisals.

The calendars used to determine the provision for covering the credit risk of loans and receivables are as follows:

General character:

Time from the first maturity date	Provision (per cent.)
From 6 months to 12 months	25
From 12 months to 18 months	50
From 18 months to 24 months	75
From 24 months	100

Mortgage-backed Loans:

Time from the first maturity date	Provision (per cent.)
From 3 years to 4 years	25
From 4 years to 5 years	50
From 5 years to 6 years	75
From 6 years	100

Investment Securities – investments in group companies

For the purposes of consolidation, under Andorran regulations, the equity procedure will be applied when the entity to be consolidated is an associated entity, when it belongs to a financial grouping but it has a differentiated form of activity, and when it is a multi-group company with differentiated activity and so, accordingly, is not consolidated by proportional integration. According to IFRS, an entity will have to be included in the consolidation perimeter depending on whether the group has control over it or not. Therefore, the differentiated activity of a participant will not be a factor to be taken into account in determining the consolidation method.

Derivatives

Under Andorran Accounting Principles, derivatives are recognised based on two variables: the purpose of the transaction and the market where they are traded.

- Derivatives that are considered hedges according to the requirements of the Andorran GAAP are recognised at their nominal amount as off-balance sheet items. The gains or losses from these transactions are taken to the income statement symmetrically to the gains or losses generated by the hedged item, based on the daily quotation price in the case of derivatives traded on organised markets and based on the measurement of the hedging transaction in the case of OTC derivatives.
- If the derivative is considered as held for trading, it is recognised as an off-balance sheet item at its nominal amount. If the derivative is traded in organised markets, the variations are recognised in the quotation prices of the respective markets based on the daily liquidation. Gains or losses on transactions with non-exchange traded derivatives are recognised in the income statement on liquidation. If the entities perform notional closes, provisions attributable to potential losses are recognised in profit and loss.

Under IFRS, derivatives are recognised as financial assets or financial liabilities in trading or hedging portfolios based on their purpose, provided that when opting to use hedge accounting they meet the quantitative and qualitative requirements established.

- Trading derivatives: unless they are part of a hedging relationship, derivatives are measured at fair value through profit or loss and by default are classified as part of the trading portfolio.
- Derivatives designated as part of a hedging relationship: hedge accounting may allow a bank to selectively measure assets, liabilities and firm commitments on a basis different from that otherwise required under the applicable IFRS, or to defer the recognition in profit or loss of gains or losses on derivatives. Changes in fair value from one period to the next are recognised in the income statement or in equity depending on the type of hedge and its effectiveness.”

General risk allowance

Andorran regulations allow for the establishment of provisions used for the general risks of the banking and financial activity, without there having been an identified degree of deterioration in the value of the assets. This is only permitted once all specific provisions are fully provisioned. Under IFRS, the establishment of provisions of a generic nature is not allowed.

Investment portfolio

Under Andorran Accounting Principles, financial assets comprising the securities portfolio can be classified into the following portfolios:

- Maturity securities portfolio: the maturity securities portfolio are shown at their adjusted acquisition price (the difference between the acquisition price and the redemption value is apportioned periodically). This portfolio requires no securities valuation reserve for variations between the market value and the adjusted acquisition price.
- Ordinary securities portfolio: financial assets that have been included in this portfolio are recorded at the lower of market value or adjusted purchase price. The fixed-income securities are stated at their adjusted acquisition price (the difference between the acquisition price and the redemption value is apportioned periodically). Potential net losses due to changes in market price or, if no market price is available, due to changes in the value calculated by an independent expert are provided for in the securities valuation reserve (equal to the total of the positive and negative differences, up to the negative limit) charged to the income statement.
- Trading Portfolio: the securities assigned to this portfolio are stated at their quoted price as at year end or, if there is none, at the price calculated by an independent expert. The differences arising from the net valuation variations are recognised under Gains or losses on financial assets and liabilities in the income statement.

Under IFRS, financial assets comprising the securities portfolio can be classified into the following portfolios:

- held-for-trading;
- held-to-maturity; and
- available-for-sale financial assets.

Under IFRS, financial assets should be initially measured at fair value, which unless there is evidence to the contrary, coincides with the transaction price, i.e. the fair value of the consideration given plus transaction costs.

Financial assets that have been included in the held-to-maturity investments portfolio are subsequently measured at amortised cost and other assets are measured at fair value, either recording changes in fair value in the income statement (held for trading portfolio) or directly in equity (available-for-sale financial assets portfolio). However, interest and dividends from available-for-sale financial assets must be recorded in the income statement.

The amortised cost of assets in the held-to-maturity investments portfolio and the interest on available-for-sale financial assets, as well as finance income and costs recognised in the income statement are calculated using the effective interest method.

Taxes

Companies in Andorra are subject to corporate income tax that is regulated by the Andorra Corporate Income Tax Law (*Decret legislatiu del 29-4-2015 de publicació del text refós de la Llei 95/2010, del 29 de desembre, de l'impost sobre societats*).

Taxable income is determined using the direct determination method and is calculated by adjusting the accounting profit, in accordance with the accounting plan for the financial sector, applying the principles and criteria of classification, valuation and temporary recognition set out in the requirements of the income tax law, which permit off-balance sheet adjustments.

The income tax expense is calculated based on profit before tax reported for accounting purposes, adjusted for permanent differences with fiscal criteria and less any applicable credits and deductions. The tax effects of temporary differences, unused tax losses and rights to applicable credits and deductions are recognised, where appropriate, in the relevant balance sheet captions, classified according to the expected period for review or application.

Accrual of income and expenses

According to the IFRS, Accrual of income and expenses are recorded considering the event that gives rise to it while under Andorran Accounting Principles Accrual income and expenses are recorded in the balance sheet as "prepayment and accrued income" and "interest accrued not paid".

Extraordinary results

Under IFRS, extraordinary results are recorded considering the underlying nature of the income or expense. Under Andorran Accounting Principles criteria, extraordinary results are recorded in a specific line of the income statements.

Financial and non-financial commissions

Under IFRS, the record in the Profit and Loss Account of income and charges in respect of commissions is different depending on their nature:

- Financial commissions, such as credit and loan lending commissions, form part of the integral performance or effective cost of any financial transaction and are recognised in the corresponding assimilated interest or assimilated charges epigraphs. Commissions charged in advance are recorded in the Profit and Loss Account over the life of the transaction, unless set-off as an associated direct cost.

- Non-financial commissions coming from service lending are recorded in the Profit and Loss Account during service lending period, unless services provision takes place in a single act, in which case commissions would be recorded at that time.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a "**Temporary Global Note**") or, if so specified in the applicable Pricing Supplement, a permanent global note (a "**Permanent Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream Luxembourg.

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

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

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The exchange upon 60 days' written notice option, as described in paragraph (a) above, should not be expressed to be applicable if the Notes are issued in denominations comprising a minimum Specified Denomination (such as €100,000 (or its equivalent in another currency)) plus one or more higher integral multiples of another smaller amount (such as €1,000 (or its equivalent in another currency)). Furthermore, such denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

The following legend will appear on all Notes which have an original maturity of more than one year and on all interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER U.S. FEDERAL INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE OF 1986."

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

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

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

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant dated 12 July 2017 (such deed of covenant as modified and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") and executed by the Issuer.

The Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, new Listing Particulars, a new Base Prospectus or a drawdown prospectus, in the case of listed Notes only, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

FORM OF PRICING SUPPLEMENT

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DECLARED BELOW

Pricing Supplement dated *[Date]*

Andorra Capital Agricol Reig, B.V.

Issue of *[Aggregate Nominal Amount of Tranche]* *[Title of Notes]*
Guaranteed by Andorra Banc Agricol Reig, S.A.
under the €500,000,000¹
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 Listing Particulars dated 12 July 2017 [as supplemented by the supplement[s] to it dated *[date]* [and *[date]*] which [together] constitute[s] the listing particulars (the "**Listing Particulars**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Listing Particulars. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Listing Particulars. The Listing Particulars are available for viewing [at *[website]*] [and] during normal business hours at *[address]* [and copies may be obtained from *[address]*].²

[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 sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

[Include if Pricing Supplement specifies "Prohibition of Sales to EEA Retail Investors" as "Applicable".

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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

¹ The Issuer has also established a Covered Bond Programme (the "**Covered Bond Programme**") under which the Issuer may issue covered bonds ("**Covered Bonds**") denominated in Euros, having the terms and conditions as may be agreed between the Issuer and the relevant dealer for such Covered Bonds (as further specified in separate listing particulars relating to the issue of Covered Bonds under the Covered Bond Programme dated 12 July 2017). The Covered Bond Programme forms part of the Issuer's Global Euro Medium Term Note and Covered Bond Programme. The Issuer has undertaken not to have in issue, at any time, more than €500,000,000 in aggregate nominal amount of Euro Medium Term Notes and Covered Bonds pursuant to its Global Euro Medium Term Note and Covered Bond Programme.

² Note that the Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange and/or markets.

1. (a) Issuer: Andorra Capital Agricol Reig, B.V.
- (b) Guarantor: Andorra Banc Agricol Reig, S.A.
2. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*Identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [24] below, which is expected to occur on or about [*date*] [Not Applicable]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
 - (a) Series: [●]
 - (b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. (a) Specified Denominations: [●]

(Note: where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:

"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")
- (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.)
7. (a) Issue Date: [●]
- (b) Interest Commencement Date: [[●]/Issue Date/Not Applicable]

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: [*Fixed rate - specify date/*

Floating rate - Interest Payment Date falling in or nearest to [specify month and year]]³

9. Interest Basis: [[●] per cent. Fixed Rate]
[[[●] month [LIBOR/EURIBOR]] +/- [●] per cent. Floating Rate]
[Zero coupon]
(see paragraph [14]/[15]/[16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11. Change of Interest Basis: [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there*][Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(see paragraph [20]/[21]/[22] below)]
[Not Applicable]
13. (a) Status of the Notes: Senior
(b) Status of the Guarantee: Senior
(c) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [●] [Not Applicable]
(Note: only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [●] [and [●]] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year⁴ up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount⁵
(Applicable to Notes in definitive form)
- (d) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] in respect of the period from and

³ Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment it will be necessary to use the second option here.

⁴ Note that for certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to adjustment and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

⁵ For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards."

- form) including [●] to but excluding [●] [Not Applicable]
- (e) Day Count Fraction: [30/360] [360/360] [Bond Basis] [Actual/Actual (ICMA)] [Actual/365(Fixed)]⁶
- (f) Determination Date(s): [[●] in each year][Not Applicable]
(Note: 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)
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/specify other terms]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [●]/[●] [and[●]] in each year, commencing on [●], up to and including [●], subject to adjustment in accordance with the Business Day Convention specified in paragraph 15 (b) below]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (c) Additional Business Centre(s): [●] [Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [●] [Not Applicable]
- (f) Screen Rate Determination: [Applicable] [Not Applicable]
- Reference Rate: [LIBOR] [EURIBOR].
 - Specified Maturity: [●] [month[s]] [year[s]]
 - Interest Determination Date(s): [●]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), First day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the

⁶ Applicable to Renminbi denominated Fixed Rate Notes.

fallback provisions appropriately)

- (g) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (h) Linear Interpolation: [Not Applicable][Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (i) Margin(s): [+/-][●] per cent. per annum [Not Applicable]
- (j) Minimum Rate of Interest: [●] per cent. per annum [Not Applicable]
- (k) Maximum Rate of Interest: [●] per cent. per annum [Not Applicable]
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
30E/360 (ISDA)
(See Condition 4 (Interest) for alternatives)
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes if different from those set out in the Conditions: [●]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [●] per cent. per annum
 - (b) Reference Price: [●]
 - (c) Any other formula/basis of determining amount payable for Zero Coupon Notes: [●]
 - (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

17. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: *(give or annex details)*
- (b) Calculation Agent: [●] *(give name)*
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [●]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●] *(need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (e) Specified Period(s)/Specified Interest Payment Dates: [●]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (g) Additional Business Centre(s): [●]
- (h) Minimum Rate of Interest: [●] per cent. per annum
- (i) Maximum Rate of Interest: [●] per cent. per annum
- (j) Day Count Fraction: [●]
18. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: *(give or annex details)*
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [●]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●] *(need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (d) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

19. Notice periods for Condition 6.2: Minimum period: [●] days
Maximum period: [●] days
20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [●] [Any date from and including [●] to but excluding [●]]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount: [[●] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [●] [Not Applicable]
- (ii) Maximum Redemption Amount: [●] [Not Applicable]
- (d) Notice periods: Minimum period: [●] days
Maximum period: [●] days
(Note: When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as other notice requirements which may apply, for example as between the Issuer and the Issuing and Principal Paying Agent)
21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount: [[●] per Calculation Amount/specify other/see Appendix]
- (c) Notice periods: Minimum period: [●] days
Maximum period: [●] days
(Note: When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as other notice requirements which may apply, for example as between the Issuer and the Issuing and Principal Paying Agent)

22. Final Redemption Amount: [[●] per Calculation Amount/specify other/see Appendix]
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Listing Particulars and the Notes themselves. N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note/ Permanent Global Note exchangeable for Definitive Notes.)*
- New Global Note: No
25. Additional Financial Centre(s): [Not Applicable/give details]
- (Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 15(c) relates)*
26. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. [Not applicable/details relating to Partly Paid Notes. N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
28. Details relating to Instalment Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Instalment Amount(s): [●]

(b) Instalment Date(s): [●]

29. Other final terms: [Not Applicable/*other final terms*]

30. 871(m) Notes: U.S. Withholding on Dividend Equivalent Payments. [The Issuer has determined that the Notes (without regard to any other transactions) should not be subject to U.S. withholding tax under Section 871(m) of the U.S. Internal Revenue Code and regulations promulgated thereunder.] / [The Issuer has determined that the Notes are subject to U.S. withholding tax under Section 871(m) of the U.S. Internal Revenue Code and the regulations promulgated thereunder, without regard to any reduced rates of withholding tax that may apply under a treaty.]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **Andorra Capital Agrícola Reig, B.V.:** Signed on behalf of **Andorra Banc Agrícola Reig, S.A.:**

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading: [Application [has been] [is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify market - should not be a regulated market] with effect from [●].]

[Not Applicable]

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].

3. OPERATIONAL INFORMATION

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

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

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

(i) Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

(ii) Additional selling restrictions: [Not Applicable/Additional Selling restrictions]

(iii) Settlement Procedures: [Not Applicable] [Provide details]

4. DISTRIBUTION

(i) Method of distribution: [Syndicated/Non-syndicated]

- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: [●]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: Regulation S Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (i) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, complete, replace and/or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of Pricing Supplement" for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Andorra Capital Agrícola Reig, B.V. (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

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

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

The Notes and the Coupons (as defined below) have the benefit of an agency agreement dated 12 July 2017 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, Andorra Banc Agrícola Reig, S.A. as guarantor (the "**Guarantor**"), Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

The final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplements the Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, complete the Conditions for the purposes of this Note. References to the "**applicable Pricing Supplement**" are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note. The expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended (including by Directive 2010/73/EU, to the extent that such amendments have been implemented in a relevant member state of the European Economic Area).

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

The payment of all amounts in respect of this Note have been guaranteed by the Guarantor pursuant to a guarantee dated 12 July 2017 (such guarantee as modified and/or supplemented and/or restated from time to time, the "**Guarantee**") and executed by the Guarantor. The original of the Guarantee is held by the Agent on behalf of the (as defined below) Noteholders and the Couponholders (as defined below) at its specified office.

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

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the deed of covenant dated 12 July 2017 (such deed of covenant as modified and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange the applicable Pricing Supplement will be published on the website of the Irish Stock Exchange (www.ise.ie). The applicable Pricing Supplement 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 and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

In the Conditions, "**euro**" lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Pricing Supplement. Notes shall only be issued in minimum denominations of €100,000 (or equivalent thereof in any other currency). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Interest Basis and the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in

which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

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

2. STATUS OF THE NOTES AND THE GUARANTEE

2.1 Status of the Notes

The Notes and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

2.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor (the "**Guarantee**"). The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. NEGATIVE PLEDGE

3.1 Negative pledge

So long as any of the Notes remains outstanding:

- (a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
 - (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
 - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; and

- (b) the Guarantor will not, and the Guarantor will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Guarantor and/or any of its Subsidiaries to secure any Relevant Indebtedness unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
- (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
 - (ii) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) as is provided is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

3.2 Interpretation

For the purposes of these Conditions:

- (a) "**Relevant Indebtedness**" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness, in each case other than Covered Bonds Indebtedness and Securitisation Indebtedness;
- (b) "**Covered Bonds Indebtedness**" means any indebtedness issued by the Issuer, the Guarantor or any of its Subsidiaries, which is backed, secured and/or guaranteed by a pool of assets originated by the Guarantor (or any of its Subsidiaries) and owned by (i) a Subsidiary of the Guarantor or (ii) an orphan special purpose vehicle to which the Guarantor (or any of its Subsidiaries) has transferred such pool of assets, and any guarantee or indemnity given by the Issuer, the Guarantor or any of its Subsidiaries in respect of any such indebtedness;
- (c) "**Securitisation Indebtedness**" means any indebtedness issued by the Issuer, the Guarantor or any of its Subsidiaries where the recourse of the holders of such debt is limited to the proceeds of and recoveries from a defined pool of receivables; and
- (d) "**Subsidiary**" means, in relation to the Issuer or the Guarantor, any company (i) in which the Issuer or, as the case may be, the Guarantor holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the Guarantor is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or, as the case may be, the Guarantor is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer or, as the case may be, the Guarantor.

4. INTEREST

4.1 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.

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

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

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

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

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (c) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365.

In the Conditions:

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

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

4.2 Interest on Floating Rate Notes

(a) 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:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement 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 Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (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 and each Additional Business Centre specified in the applicable Pricing Supplement; and
 - (b) either (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively), (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong.
- (b) **Rate of Interest**

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

- (i) ISDA Determination for Floating Rate Notes

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

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

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

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

- (ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

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

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

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

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

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

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

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(e) **Linear Interpolation**

If the applicable Pricing Supplement specifies Linear Interpolation as being applicable in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable 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 Applicable 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 the period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, (b) in relation to ISDA Determination, the Designated Maturity.

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

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

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Agent or, if applicable, the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 **Floating Rate Notes**

In the case of Notes which are Floating Rate Notes, where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 4.2 (*Interest on Floating Rate Notes*) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

4.4 **Accrual of interest**

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

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

5. **PAYMENTS**

5.1 **Method of payment**

Subject as provided below:

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

5.2 **Payments Subject to Fiscal and Other Laws**

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

5.3 **Presentation of definitive Notes and Coupons**

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 5.5 (*Specific provisions relating to payments in respect of certain types of Notes*) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

5.4 Payments in respect of Global Notes

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

5.5 Specific provisions relating to payments in respect of certain types of Notes

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

5.6 General provisions applicable to payments

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

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

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

5.7 Payment Day

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) each Additional Financial Centre specified in the applicable Pricing Supplement; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively), (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (C) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong.

5.8 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes but excluding any amount of interest referred to therein;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6 (*Redemption and Purchase*)); and

- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

5.9 Payment of US Dollar Equivalent

Notwithstanding the foregoing, if by reason of Illiquidity, Inconvertibility or Non transferability the Issuer or the Guarantor is not able to satisfy payments of principal or interest (in whole or in part) in respect of the Notes when due in Renminbi in Hong Kong, the Issuer or the Guarantor may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment (in whole or in part) in US dollars on the due date at the US Dollar Equivalent of any such Renminbi-denominated amount.

In such event, payments of the US Dollar Equivalent of the relevant principal or interest in respect of the Notes denominated in Renminbi shall be made in accordance with the Conditions applicable for payment of U.S. dollars.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.9 by the Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Paying Agents and all Noteholders.

In the event of a payment pursuant to this Condition 5.9, the following modification shall be made in respect of the Conditions:

The definition of "**Payment Day**" in Condition 5.7 (*Payment Day*) in relation to any sum payable in Renminbi, shall be amended to mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation and on which foreign exchange transactions may be carried out in US dollars in New York City.

As used herein:

- (i) "**CNY**" means the lawful currency of the PRC;
- (ii) "**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City;
- (iii) "**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant amount under these Conditions;
- (iv) "**Governmental Authority**" means any *de facto or de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;
- (v) "**Illiquidity**" means that the general Renminbi exchange market in Hong Kong has become illiquid and, as a result of which, the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes, as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

- (vi) "**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer or the Guarantor to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);
- (vii) "**Non transferability**" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including, but not limited to, circumstances in which the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended) or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);
- (viii) "**PRC**" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;
- (ix) "**Renminbi**" means the lawful currency of the PRC;
- (x) "**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;
- (xi) "**Spot Rate**" means the CNY/U.S. spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in three Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Local Time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is not available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; and
- (xii) "**US Dollar Equivalent**" means the Renminbi amount converted into US dollars using the Spot Rate for the relevant Determination Date.

5.10 Payments in Renminbi

Notwithstanding the foregoing, any payments in respect of the Notes to be made in Renminbi will be made in accordance with all applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong) by credit or transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

6.2 Redemption for tax reasons

Subject to Condition 6.5 (*Early Redemption Amounts*) the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Agent and, in accordance with Condition 13 (*Notices*), 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 (*Taxation*) or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor 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 or, as the case may be, the Guarantor 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, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two directors of the Issuer or, as the case may be, two directors of the Guarantor stating that the Issuer is entitled to effect such redemption and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period (which shall not be less than 5 Business Days) nor more than the maximum period of notice specified in applicable Pricing Supplement to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement 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 Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

6.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period (which shall not be less than 15 Business Days) nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4.

6.5 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

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 Pricing Supplement 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 12 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).

6.6 Purchases

The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation.

6.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and surrendered for cancellation pursuant to Condition 6.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.8 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 Condition 6.1, 6.2, 6.3 or 6.4 above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) 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 6.5(c) 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:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) 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 13 (*Notices*).

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law or in connection with FATCA. In such event, the Issuer or, as the case may be, the Guarantor or relevant person on their behalf will pay such additional amounts as shall be necessary in order

that the net amounts received by the holders of the Notes or Coupons 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 or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the Netherlands or Andorra; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.7); or
- (d) where such withholding or deduction is imposed in connection with FATCA or pursuant to Section 871(m) of the Code.

As used herein:

- (i) "**Tax Jurisdiction**" means the European part of the Kingdom of the Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Andorra or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor); and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Payments Subject to Fiscal and Other Laws*) or any Talon which would be void pursuant to Condition 5.2 (*Payments Subject to Fiscal and Other Laws*).

9. EVENTS OF DEFAULT

9.1 Events of Default

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Conditions or the Guarantee and (except in any case where the failure is incapable of remedy when no

such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or

- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, the Guarantor or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, the Guarantor or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer, the Guarantor or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer, the Guarantor or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event described in this subparagraph (c) shall constitute an Event of Default unless the relative Indebtedness for Borrowed Money, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, exceeds €15,000,000 (or its equivalent in any other currency or currencies); or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, the Guarantor or any of its Material Subsidiaries, save for the purposes of a Permitted Transaction (as defined below); or
- (e) if the Issuer, the Guarantor or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of a Permitted Transaction, or the Issuer, the Guarantor or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer, the Guarantor or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or any of its Material Subsidiaries or, as the case may be, in relation to the whole or substantially all of the undertaking or assets of any of them, or an encumbrance takes possession of the whole or substantially all of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 30 days or is not part of a Permitted Transaction; or
- (g) if the Issuer, the Guarantor or any of its Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws other than as part of a Permitted Transaction (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors (other than Intra-Group Creditors)) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors (other than Intra-Group Creditors)); or
- (h) if the Issuer ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by the Guarantor; or

- (i) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect,

then the Noteholders of at least 25 per cent. in aggregate principal amount of the Notes outstanding 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 such Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9.2 Definitions

For the purposes of the Conditions:

"FATCA" means Sections 1471 through 1474 of the Code, an agreement entered into with the U.S. Internal Revenue Service pursuant to such sections of the Code, or an intergovernmental agreement between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-U.S. laws and regulations implementing such an intergovernmental agreement), or any analogous provisions of non-U.S. law.

"Group" means the Guarantor and its Subsidiaries taken as a whole.

"Indebtedness for Borrowed Money" means (i) any indebtedness (whether being principal, premium interest or other amounts) for or in respect of notes, bonds, debentures, debenture stock, loan stock or other securities, (ii) any borrowed money other than Intra-Group Indebtedness, or (iii) any liability under or in respect of any acceptance or acceptance credit.

"Intra-Group Indebtedness" means money borrowed by one entity within the Group from another entity within the Group, such entity an **"Intra-Group Creditor"**.

"Material Subsidiary" means at any time a Subsidiary of the Guarantor:

- (a) whose net profits (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, are equal to) not less than 15 per cent. of the net profits, or, as the case may be, consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Guarantor and its Subsidiaries, provided that:
 - (i) if the then latest audited consolidated accounts of the Guarantor and its Subsidiaries show (x) a net loss for the relevant financial period then there shall be substituted for the words "net profits" the words "gross revenues" for the purposes of this definition and/or (y) negative assets at the end of the relevant financial period then there shall be substituted for the words "net assets" the words "total assets" for the purposes of this definition;
 - (ii) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Guarantor;

- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Guarantor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, generate net profits equal to) not less than 15 per cent. of the consolidated net profits, or represent (or, in the case aforesaid, are equal to) not less than 15 per cent. of the consolidated net assets, of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate net profits equal to) not less than 15 per cent. of the consolidated net profits, or its assets represent (or, in the case aforesaid, are equal to) not less than 15 per cent. of the consolidated total assets, of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Guarantor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Agency Agreement.

A report by two authorised signatories of the Guarantor that in their opinion a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary, shall, in the absence of manifest error, be conclusive and binding on all parties.

"Permitted Transaction" means a reorganisation on terms previously approved by an Extraordinary Resolution or a solvent voluntary reorganisation of any Group member other than the Issuer or the Guarantor in connection with any combination with, or transfer of all or substantially all of its business and/or assets to, the Issuer, the Guarantor or another Subsidiary of the Issuer or the Guarantor which thereby becomes a Material Subsidiary.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

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

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

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority); and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.6 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

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

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding the Notes will be valid if published (a) in a leading English language daily newspaper of general circulation in London and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Irish Stock Exchange, a daily newspaper of general circulation in Ireland or the Irish Stock Exchange's website, www.ise.ie. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Irish Times* in Ireland. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS, AND MODIFICATION, WAIVER AND SUBSTITUTION

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions, the Notes, the Coupons or any of the provisions of the Agency Agreement, the Deed of Covenant or the Guarantee. Such a meeting may be convened by the Issuer, the Guarantor and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of these Conditions, the Notes or the Coupons (including 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 or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

In addition, a resolution in writing signed by or on behalf of not less than 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Agency Agreement provides that, for so long as Notes are held in global form through a clearing system, consents given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holder(s) of not less than 75 per cent. in the nominal amount of the Notes for the time being outstanding shall be effective as an Extraordinary Resolution of the Noteholders.

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

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

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects

save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTUAL RECOGNITION OF BAIL-IN CLAUSE

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this condition, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges, accepts and agrees to be bound by the exercise of, any Bail-in Power by the Andorra Resolution Authority (*Agència Estatal de Resolució d'Entitats Bancàries "AREB"*) that may result in the write-down or cancellation of all, or a portion, or distributions on, the Notes and/or the conversion of all, or a portion, or distributions on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the AREB of such Bail-in Power. Each Noteholder further acknowledges and agrees that the rights of the Noteholders are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-in Power by the AREB.

In this Condition, a "**Bail-in Power**" means any statutory write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of banking institutions and/or group entities in effect and applicable in Andorra, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the Resolution Regime as amended or replaced from time to time and any instruments, rules and standards created thereunder, pursuant to which liabilities of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified and/or converted into shares or other securities or obligations of the Issuer or any other person.

In this condition, the "**Resolution Regime**" means the legislation passed by the Andorran government on 2 April 2015, Law 8/2015.

Upon the Issuer being informed or notified by the AREB of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the Notes, the Issuer shall notify the Noteholders in accordance with condition 13 (*Notices*) without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this condition.

The exercise of the Bail-in Power by the AREB with respect to the Notes shall not constitute an event of default or the occurrence of any event related to the insolvency of the Issuer or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer. In such circumstances, these conditions shall continue to apply in relation to the Notes and any further modification of these conditions that the AREB may decide in accordance with applicable laws and regulations relating to the resolution of banking institutions and/or group entities in effect and applicable in Andorra.

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

18.2 Submission to jurisdiction

- (a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a "**Dispute**") and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Condition 18.2(c) is for the benefit of the Noteholders and the Couponholders only. To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 Other documents and the Guarantor

The Issuer and, where applicable, the Guarantor have in the Agency Agreement, the Guarantee and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Euro Medium Term Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

General Information on Andorra Capital Agricol Reig, B.V.

Andorra Capital Agricol Reig, B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands. The Issuer was incorporated on 10 May 2010 for an unlimited duration and operates under the laws of the Netherlands. The Issuer has been registered in the Netherlands in the Trade Register of the Chambers of Commerce under number 34393179. The Issuer has its corporate seat in Rotterdam and its office at Strawinskylaan 3127, 8th floor, 1077ZX, Amsterdam, the Netherlands and its telephone number is +31 20 4054747.

Business Activities

The Issuer's principal activities are the issuance of notes, bonds, participation in and to management of other companies and businesses, financing and providing security for the debts of third parties and to do all that is connected therewith.

Corporate Governance

The corporate governance regime of the Netherlands does not fully apply to the Issuer due to the fact that it does not have shares or depositary receipts listed on a regulated market. However, the Issuer will qualify as an organisation of public interest (*organisatie van openbaar belang*) upon having any Notes admitted to trading on the Irish Stock Exchange's regulated market, as it is a regulated market for the purposes of the Markets in Financial Instruments Directive, and is obliged to have an audit committee in place.

Directors

The Issuer's directors (for the purposes of this section, each a "**Director**") as at the date of this these Listing Particulars are as follows:

- (d) Vistra (Amsterdam) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat (statutaire zetel) in Amsterdam, the Netherlands with its office at Strawinskylaan 3127, 8th floor, 1077ZX, Amsterdam, the Netherlands and registered in the Trade Register under number 27130346, as director A ("**Director A**"); and
- (e) Andorra Banc Agricol Reig, S.A. ("**Director B**"). The business address of Director B is the office of the Guarantor located at Calle Manuel, Cerqueda i Escaler 6, AD700 Escaldes – Engordany, Andorra.

Director A is a trust company and its main activities are: providing trust and fiduciary services required to maintain companies in the Netherlands, including domiciliation, provision of directors and other officers, management and secretarial support, accountancy and ongoing administrative reporting and regulatory compliance.

There are no principal activities performed by any Director, as a member of administrative management or supervisory bodies and partners outside the Issuer, which are significant to the Issuer.

No potential conflicts of interest exist between the duties to the Issuer of any Director and its private interests and/or other duties. No Director holds any direct, indirect, beneficial or economic interest in any of the shares of the Issuer.

Organisational Structure

The Issuer is a wholly-owned finance subsidiary of the Guarantor.

Material Contracts

The Issuer has not entered into any material contracts outside of the ordinary course of the Issuer's business and which could result in it being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to the holders of Notes.

DESCRIPTION OF THE GUARANTOR

General Information on Andorra Banc Agrícola Reig S.A.

Andorra Banc Agrícola Reig, S.A. ("**Andbank**") is a limited liability company incorporated under the laws of Andorra, namely *Llei 7/2013, de 9 de maig, sobre el règim jurídic de les entitats operatives del sistema financer andorrà i altres disposicions que regulen l'exercici de les activitats financeres al Principat d'Andorra* (Operative Entities of the Andorran Financial System Legal Regime Act); *Llei 8/2013, de 9 de maig, sobre el requisits organitzatius i les condicions de funcionament de les entitats operatives del sistema financer, laprotecció de l'inversor, l'abús del mercat i el acords de garantia financer* (Organisational Requirements and Operational Conditions of the Operative Entities of the Andorran Financial System Act); and *Text refòs de la Llei 35/2010, de 3 de juny, de règim d'autorització per a la creació d noves entitats operatives del sistema financer andorrà* (Regime of Authorisation for the Constitution of the Operative Entities of the Andorran Financial System Act).

Its registered office is at Calle Manuel, Cerqueda i Escaler 6, AD700 Escaldes – Engordany, Andorra, telephone number +376 873 344. Andbank was incorporated as Banc Agrícola i Comercial d'Andorra S.A. on 30 December 1930, under registration number 5.008-S. In 2001 Banc Agrícola i Comercial d'Andorra S.A. merged with Banca Reig S.A. On 10 May 2002, by way of an Extraordinary Resolution of the shareholders, Banc Agrícola i Comercial d'Andorra S.A. changed its registered name to Andorra Banc Agrícola Reig, S.A., amending its articles of incorporation accordingly.

Andbank's corporate purpose is to carry out banking activities, as defined by the Andorran legislation regulating the powers of the various operational components of the financial system (*Llei de Facultats Operatives del Sistema Financer*) dated 19 December 1996. Since 30 June 1998 Andbank has been regulated by the Andorran regulatory authority, the Andorran National Institute of Finances ("**INAF**") and is subject to compliance with Andorran legislation.

History

2000-2007	2008	2009	2010	2011	2012	2013	2014	2015-2016
2001 – Merger Agrícola & Banca Reig	BVI Asset Management Company	Panama Banking License Uruguay Acquisition of Quest. Brokerage Firm	Luxembourg Banking License Panamá New Broker- Dealer License	Monaco Acquisition of Monte Paschi subsidiary (Banking License)	Spain Luxembourg's Bank Branch Miami Membership FINRA Broker- Dealer	Spain Banking License Spain Company for Collective Investment Institutions. Andbank Wealth Management BVI Extension of the License – Asset Management	Spain Acquisition of Banco Inversis' Private Banking Division Miami Acquisition of Swiss Asset Advisors portfolio	Brazil – 2015 Acquisition of Banco Bracce. Banking License Uruguay – 2015 Incorporation of an Investment Advisor and a new Representative Office of Andbank Panamá Israel – 2014-2015 Acquisition of Sigma Investment House (Wealth and Asset Management License – 60%) and Tamir Fishman portfolio
2000 – Bahamas Banking License 2001 – Switzerland Wealth Management and Investment Advisor 2004 – Panama Representative Office	Mexico Joint-venture in Columbus. Independent Wealth Management Advisor	Luxembourg Asset Management Company Uruguay Representative Office	Miami Broker-Dealer Asset Management and Investment Advisor	Brazil Acquisition of LLA. Asset Management License & Broker- Dealer Spain Acquisition of a Brokerage and an Agency Company (Joint-venture with Barcelona Medical Association)				

Andbank is owned by the third generation of two families with a strategy focused on creating long-term value. Andbank's history goes hand in hand with the Principality of Andorra's. Banc Agrícola i Comercial d'Andorra was founded in 1930 and in 1947 it became 100 per cent. Andorran-owned after a management buy-out. Banca Reig was founded in 1956. In 2001 both banks merged creating Andorra Banc Agrícola Reig, S.A. (Andbank). Since then the group has focused on international growth and has created a global presence.

Andbank has banks, management companies and representative offices in most of the world's financial centres. Andbank has seven banking licences: Andorra, Brazil, Luxembourg, Monaco, Panama, Spain and The Bahamas. The

Andbank Group has a presence in Andorra, Brazil (Sao Paulo), Israel, Luxembourg, Mexico (Mexico City and other locations), Monaco, Panama, Spain (Madrid, Barcelona and other locations), Switzerland (Geneva and Zurich), The Bahamas (Nassau), Uruguay (Montevideo) and the USA (Miami).

Business activities

Andbank and its subsidiaries (the "**Andbank Group**") are a leading Andorran wealth management institution, providing a wide range of high-end discretionary and advisory investment services to more than 78,000 clients. The Andbank Group also provides financial, asset management, insurance and real estate services. The Andbank Group manages over 6,000 portfolios and 50 funds, representing €8,900 million assets under management, including Andbank funds, institutional clients' funds, strategic portfolios, model portfolios and tailor-made portfolios with different risk profiles according to clients' specificities in each subsidiary.

Recent developments

As at 31 December 2016, the Andbank Group had €22,000 million of assets under management and achieved strong results in terms of net revenues, net profits, liquidity and solvency.

Despite difficulties faced by the global financial markets, particularly the impact that negative interest rates have had on the wider European economy, the Andbank Group's gross margin increased from €249 million in 2015 to €256 million in 2016 (an increase of 2.8 per cent.) and the Andbank Group's net operating margin increased from €60 million in 2015 to €61 million in 2016 (an increase of 1.7 per cent.). The Andbank Group's net profit decreased from €54 million in 2015 to €47 million in 2016, exceeding the internal budget for 2016 of €40 million (by 17.5 per cent.).

The Andbank Group has strong liquidity and solvency ratios, with a liquidity coverage ratio of 178 per. cent. and a Tier 1 ratio of 15.8 per cent as at 31 December 2016.

Risk management

The identification, measurement, management and control of risk is a key element in the management of the Andbank Group. The risk control framework includes a qualitative component, concerning the definition of policies and responsibilities, and a quantitative component, associated with the setting of limits.

The positioning of the Andbank Group in terms of risk management is based on maintaining a prudent policy, where risk assumption is closely linked to the exercise of business activities in commercial banking, private banking and asset management.

The establishment of policies, the setting of limits and the overall supervision of risks is the responsibility of the Assets, Liabilities and Risks Committee ("**ALRCO**"), under delegation from the Board of Directors of Andbank. The general policies and specific limits defined by the ALRCO are therefore submitted to the Board of Directors for analysis and approval. The risk limits are reviewed at regular intervals in order to adapt them to the economic and market situation and are submitted annually to the Board of Directors.

To determine the risk limits granted to countries or financial institutions, the Andbank Group uses relatively stable variables such as credit ratings or Tier 1 capital, and market variables such as the price at which credit default swaps are traded or the behaviour of Andbank's share relative to the stock market in general. Given the continuing sovereign debt crisis and the downgrading of countries and financial institutions, these limits have been reviewed frequently.

As the body responsible for the management of interest rate risk, currency risk, country risk, counterparty risk, liquidity risk and market risk, the ALRCO meets at least monthly. The ALRCO has delegated the task of supervising these risks to the Middle Office department, which reports to the ALRCO on a daily and weekly basis, where applicable, with information on the risks managed. The ALRCO is also responsible for balance sheet management and capital management, with the aim of maintaining a high level of solvency adequacy.

Responsibility for guaranteeing the asset management business is exercised in accordance with the established legal and regulatory framework and the task of assessing the results is assigned to the Asset Management ALRCO, which meets monthly. The committee delegates the monitoring of asset management activity to the Middle Office. Besides monitoring compliance with the regulatory framework, the Middle Office assesses compliance with the investment policy of the funds and portfolios and regularly monitors the measures of return and risk.

Share capital and ownership structure

The main shareholders of Andbank are Reig Finances, S.A.U. (33.45 per cent.) and Cerqueda Donadeu, S.A (CEDOSA) (41.40 per cent.). The other direct shareholders of Andbank are Pere Besoli Solé and Enric Palmitljavila Ribó with a percentage above 4 per cent.

Solvency and Liquidity

Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its payment obligations at a given time, whether arising from, among others, the maturity of deposits, the drawdown of credit facilities granted, or guarantee requirements in transactions with collateral.

The Middle Office department monitors the liquidity position of the Andbank Group daily to ensure that it remains above the minimum liquidity level established by the ALRCO. The Andbank Group has set a minimum amount of overnight cash and an additional minimum amount of cash and highly liquid positions with one-week liquidity. Repo-financed positions and compliance with the liquidity ratio established by the INAF, which supervises the Andorran financial system, are monitored daily. This ratio compares liquid and relatively liquid assets with liabilities becoming due and payable and is set at a minimum of 40 per cent. During 2016 the Andbank Group maintained an average liquidity ratio in excess of 40 per cent. and at year-end the ratio was 65.58 per cent.

Law regulating capital adequacy and liquidity criteria of financial institutions (Llei de regulació dels criteris de solvència i de liquiditat de les entitats financeres)

In a session held on 29 February 1996, the Principality of Andorra's General Council approved the Law regulating capital adequacy and liquidity criteria of financial institutions.

This law obliges banks to maintain a minimum capital adequacy ratio of 10 per cent., based on the recommendation of the Basel Committee on Banking Regulations and Supervisory Practices, calculated on the basis of a ratio that relates the qualifying equity to the weighted risk assets as per the degree of risk of such assets. Banks are also obliged to maintain a liquidity ratio of at least 40 per cent.

The capital adequacy and liquidity ratios of the consolidated financial statements, determined in accordance with this law, were 25.50 per cent. and 65.58 per cent., respectively, at 31 December 2016 (20.72 per cent. and 76.60 per cent. at 31 December 2015).

The Law regulating capital adequacy and liquidity criteria of financial institutions also restricts the concentration of risks in a single beneficiary up to a maximum of 20 per cent. of the equity of the bank. The law also stipulates that the accumulation of risks that by themselves exceed 5 per cent. of the equity cannot exceed the limit of 400 per cent. of the above-mentioned equity. The risk maintained with the members of the board of directors cannot exceed 15 per cent. of the equity. These risks are weighted in accordance with the aforementioned law.

During the year ending 31 December 2016 the Andbank Group has complied with the requirements of this law. The maximum risk concentration of risk in favour of a single beneficiary was 18.80 per cent. of equity (18.86 per cent. of equity in 2015). Loans or other operations involving risk in a single beneficiary that exceed 5 per cent. of equity have not exceeded an accumulation of risks of 216.79 per cent. in the aggregate (156.20 per cent. in 2015).

Corporate Governance

Andbank complies with the corporate governance regime applicable under the laws of Andorra.

Board of Directors

Andbank's directors (for the purposes of this section, the "**Board of Directors**" and each a "**Director**") as at the date of these Listing Particulars are as follows:

<u>Name</u>	<u>Function</u>
Óscar Ribas Reig	Honorary Chairman
Manel Cerqueda Donadeu	Chairman
Oriol Ribas Duró	Vice Chairman
Jaume Serra Serra	Director
Manel Ros Gener	Director
Xavier Santamaría Mas	Director
Cerqueda Donadeu, S.A.*	Director
Inversions, Gestions i Estudis, S.A.U**	Director
Germán Castejón Fernández	Director

* Cerquedadonadeu, S.A, is represented on the Board of Directors by Manuel Cerqueda Diez

** Inversions, Gestions i Estudis, S.A.U. is represented on the Board of Directors by Josep Vicens Torradas

Management

The members of Andbank's management (for the purposes of this section, the "**Management**") as at the date of these Listing Particulars are as follows:

<u>Name</u>	<u>Function</u>
Ricard Tubau Roca	Chief Executive Officer
Antonio Manuel Castro Jimenez	Deputy Chief Executive Officer Corporate Services
Santiago Mora Torres	Deputy Chief Executive Officer Investment Area
Josep X. Casanovas Arasa	Deputy Chief Executive Officer Risk Area

Name	Function
Jordi Checa Gutés	Chief Resources Officer
Felix Minguez Carrobes	Chief Financial Officer
Pedro Cardona Vilaplana	Chief Information Technology Officer
Juan Luis García Alejo	Chief Private Banking and Business Support Officer
Josep Maria Cabanes Dalmau	Chief Andorran Business Officer
Manuel Ruiz Lafuente	Chief Audit Officer
Ivan López Llaurado	Chief Compliance Officer

The business address of each Director and member of the Management is Manuel Cerqueda, Escaler, 4-6 AD700 Escaldes – Engordany, Andorra.

There are no principal activities performed by the Directors or any member of the Management outside Andbank which are significant to Andbank.

No potential conflict of interest exists between the duties to Andbank of the Directors and the members of the Management, as listed above, and their private interests and/or other duties. None of the Directors or members of the Management hold any direct, indirect, beneficial or economic interest in any of the share capital of Andbank.

Organisational Structure

Andbank acts as a holding company of the Andbank Group. Andbank has the following significant subsidiary undertakings:

Company	Address	Activity	Holding (%)
Caronte 2002, S.L.U.	Andorra	Services	100
Clau d'Or, S.L.	Andorra	Real Estate	100
Món Immobiliari, S.L.U.	Andorra	Real Estate	100
Andorra Gestió Agrícol Reig, S.A.U.	Andorra	Investment Fund Manager	100
Andbank (Bahamas) Limited	Bahamas	Bank	100

<u>Company</u>	<u>Address</u>	<u>Activity</u>	<u>Holding (%)</u>
Nobilitas N.V.*	Dutch Antilles	Holding company	100
Andorra Assegurances Agrícola Reig, S.A.U.	Andorra	Insurance	100
AndPrivate Wealth, S.A.*	Switzerland	Asset Management	100
Columbus de México, S.A. de C.V.*	Mexico	Asset Management	50
Quest Capital Advisers Agente de Valores, S.A.	Uruguay	Securities Broker	100
Andbank Asset Management Luxembourg, SA	Luxembourg	Bank	100
AND PB Financial Services, S.A.	Uruguay	Representative Office	100
APW Uruguay, S.A.	Uruguay	Services	100
Andbank Luxembourg, SA	Luxembourg	Bank	100
Andbank España, S.A.U.	Spain	Bank	100
Andbank Wealth Management, SGIIC, SAU	Spain	Securities Broker	100
Medipatrimonia Invest, S.L.	Spain	Investment services company	51
AndPrivate Consulting S.L.	Spain	Services	100
Andbanc Wealth Management LLC	USA	Holding	100
Andbanc Advisory LLC	USA	Advisory Services	100
Andbanc Brokerage LLC	USA	Financial Services	100
APW International Advisors Ltd	British Virgin Islands	Asset management	100
APW Consultores Financieros, Lda	Brazil	Financial Services	100
Andorra Capital Agrícola Reig BV	Netherlands	Special purpose vehicle	100
Egregia, B.V.	Netherlands	Holding	100
Nobilitas, B.V.	Netherlands	Holding	100
Zumzeiga, B.V.	Netherlands	Holding	100
Andbank (Panama) S.A.	Panama	Bank	100
AndPrivate Wealth S.A. (Chile)	Chile	Financial services	100
Andbank Monaco S.A.M.	Monaco	Bank	100
Banco Andbank (Brasil), S.A.	Brazil	Bank	100

<u>Company</u>	<u>Address</u>	<u>Activity</u>	<u>Holding (%)</u>
Grupo LLA	Brazil	Fund & Portfolio Management Company	100
Andbank (Panama) S.A.	Panama	Bank and Brokerage House	100
Andbank (Brasil) Holding Financeira Ltda Brazil	Brazil	Holding	100
LLA Holding	Brazil	Holding	-
Banco Andbank (Brasil), S.A	Brazil	Bank	-
LLa Distribuidora de Tilulos e Valores Mobiliários Ltda (DTVM)	Brazil	Intermediation of securities and discretionary portfolio management	-
Sigma Investment House Ltd.	Israel	Holding	60
Sigma Portfolio Management Ltd.	Israel	Portfolio management	-
Sigma Premium Ltd.	Israel	Portfolio management and advisory services	-
Sigma Mutual Funds	Israel	Investment fund management	-
Sigma Financial Planning Pension Insurance Agency Ltd.	Israel	Investment fund management	-

*Nobilitas N.V. owns 100 per cent. of Egregia B.V. and 99 per cent. of Zumzeiga Coöperatief. Egregia B.V. owns 100 per cent. of AndPrivate Wealth, S.A. and 50 per cent. of AndPrivate Wealth, S.A. (Chile), while Zumzeiga Coöperatief U.A. owns 100 per cent. of Quest Capital Advisers Agente de Valores, S.A., 100 per cent. of Andbank Wealth Management LLC, 50 per cent. of Columbus de México and the remaining 50 per cent. of AndPrivate Wealth, S.A. (Chile). At 31 December 2014 the Parent (Andorra Banc Agricol Reig, SA) has loans to Zumzeiga Coöperatief, U.A.

Material Contracts

Andbank has not entered into any material contracts outside of the ordinary course of Andbank's business and which could result in it being under an obligation or entitlement that is material to Andbank's ability to meet its obligations under the Notes.

Credit Ratings

On 2 July 2015, Fitch Ratings downgraded Andorra Banc Agricol Reig S.A. (Andbank) on its Long-term Issuer Default Rating ("IDR") from A- to BBB and its Short-term IDR at F3. These ratings were affirmed on 22 June 2016. The outlook on the Long-term IDR is Stable.

TAXATION

Dutch Taxation

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes issued on or after the date of these Listing Particulars and does not purport to describe every aspect of taxation that may be relevant to a particular holder. Tax matters are complex, and the tax consequences of the issuance to a particular holder of Notes will depend in part on such holder's circumstances. Accordingly, a holder is urged to consult his own tax advisor for a full understanding of the tax consequences of the issuance to him, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "**Dutch**" are used, these refer solely to the European part of the Kingdom of the Netherlands.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of these Listing Particulars. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary in this paragraph entitled *Dutch Taxation* does not address the Dutch tax consequences for a holder of Notes who:

- (i) is a person who may be deemed an owner of Notes for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;
- (ii) is, although in principle subject to Dutch corporation tax, in whole or in part, specifically exempt from that tax in connection with income from Notes;
- (iii) is an investment institution as defined in the Dutch Corporation Tax Act 1969;
- (iv) acquires Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role; or
- (v) has a substantial interest in the Issuer or a deemed substantial interest in the Issuer for Dutch tax purposes. Generally, a person holds a substantial interest if (a) such person – either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner for Dutch tax purposes – owns or is deemed to own, directly or indirectly, 5% or more of the shares or of any class of shares of the Issuer, or rights to acquire, directly or indirectly, such an interest in the shares of the Issuer or profit participating certificates relating to 5% or more of the annual profits or to 5% or more of the liquidation proceeds of the Issuer, or (b) such person's shares, rights to acquire shares or profit participating certificates in the Issuer are held by him following the application of a non-recognition provision.

Withholding tax

All payments under Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands, except where Notes are issued under such terms and conditions that such Notes are capable of being classified as equity of the Issuer for Dutch tax purposes or actually function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporation Tax Act 1969 and where Notes are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or an entity related to the Issuer.

Taxes on income and capital gains

Non-resident holders of Notes

Individuals

If a holder of Notes is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax, he will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- (i) he derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Notes are attributable to such permanent establishment or permanent representative; or
- (ii) he derives benefits or is deemed to derive benefits from or in connection with Notes that are taxable as benefits from miscellaneous activities performed in the Netherlands.

Corporate entities

If a holder of Notes is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch corporation tax, it will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- (i) it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and to which permanent establishment or permanent representative its Notes are attributable; or
- (ii) it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Notes are attributable.

General

A holder of Notes will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

If a holder of Notes is neither resident nor deemed to be resident in the Netherlands, such holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under Notes.

Gift and inheritance taxes

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of Notes by way of gift by, or upon the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the holder of Notes becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of Notes made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

Registration taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes, the performance by the Issuer of its obligations under such documents or under Notes, or the transfer of Notes, except that Dutch real property transfer tax may be due upon an acquisition in connection with Notes of real property situated in the Netherlands, (an interest in) an asset that qualifies as real property situated in the Netherlands or (an interest in) a right over real property situated in the Netherlands, for the purposes of Dutch real property transfer tax or, where Notes are issued under such terms and conditions that they represent (an interest in) an asset that qualifies as real property situated in the Netherlands, for the purposes of Dutch real property transfer tax.

Andorran Taxation

On 21 February 2005, the Andorran government ratified the Agreement between Andorra and the European Union in relation to the establishment of measures equivalent to those provided in EU Council Directive 2003/34/EC on the taxation of savings income. On 13 June 2005, the Andorran government approved its local law to implement the commitments that it had already assumed with the European Union.

Common Reporting Standard OECD & Directive on Administrative Cooperation

The Organisation for Economic Co-operation and Development ("**OECD**") has been tasked by the G20 with undertaking the technical work needed to take forward the single global standard for automatic exchange of financial account information endorsed by the G20 in 2013. The OECD has released a full version of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Common Reporting Standard**") including clarifying comments thereon, which calls on the different governments of the countries committed with the standard to obtain some information from the clients (either individuals or passive entities) of their financial institutions and exchange that information automatically with other jurisdictions on an annual basis. On 9 December 2014, the Economic and Financial Affairs Council of the European Union officially adopted the revised Directive on Administrative Cooperation 2011/16/EU (the "**ACD**") or also known as DAC 2 (regarding mandatory automatic exchange of information in the field of taxation), which effectively incorporates the Common Reporting Standard but the scope is not only limited to financial information, but includes other kind of tax income. Member States of the European Union are required to implement its internal laws, regulations and administrative provisions necessary to comply with the ACD by 31 December 2015 (with certain exceptions). They are required to apply these provisions as from 1 January 2016 and to start the automatic exchange of information no later than August/September 2017, but taking into account the cut-off date 1 January 2016 (in respect of a limited set of accounts only in the case of Austria, which will implement the ACD with a delay, in most cases of one year, pursuant to a derogation granted to it).

Andorra executed an agreement with the European Union in February 2016, which is not based on the ACD but instead is an amendment to the EU Council Directive 2003/34/EC on the taxation of savings income. The commitments assumed by Andorra are based on the CRS standard with minimum particularities. On 30 November 2016, Andorra approved a local law which will be the legal basis for the automatic exchange of tax information, not only with the European Union, but also for future agreements with third countries.

The proposed financial transactions tax ("FTT")

The European Commission has published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT which is being considered by Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

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. The issuance and subscription of the Notes should, however, 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.

The European Commission were expected to present draft legislation for consideration by the Participating Member States by the end of 2016 but this has not yet been published as at the date of these Listing Particulars. Accordingly, 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.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands, but not (as at the date of these Listing Particulars) Andorra) 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 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 12 July 2017 (such programme agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") agreed with the Issuer and the Guarantor 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 "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer (failing which, the Guarantor) 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 and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority 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 the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not offer, sell or deliver any Notes (a) as part of their distribution at any time or (b) otherwise until 40 calendar days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified by the relevant Dealer or, in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each distributor, dealer or person to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 calendar days after completion of the distribution of all Notes of a Tranche, 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.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

To the extent that the applicable Pricing Supplement specifies that Notes are subject to U.S. Treasury Regulation section 1.163-5(c)(2)(i)(C) (the "**TEFRA C rules**"), such Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions. Otherwise, Notes issued in bearer form for U.S. tax purposes may not be offered, sold or delivered within the United States or its possessions or to United States persons except as permitted under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D) (the "**TEFRA D rules**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer, sell or deliver any Notes within the United States. Terms used in this paragraph have the meanings given to them by the Code. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Prohibition of Sales to EEA Retail Investors and Public Offer Selling Restriction

From 1 January 2018, unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by these Listing Particulars as completed by the pricing supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, ("**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC, as amended ("**IMD**"), 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 Directive 2003/71/EC, as amended (the "**Prospectus Directive**"); and
- (b) the expression an "offer" 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 the Notes.

Prior to 1 January 2018, and from that date, if the Pricing Supplement 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 with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by these Listing Particulars as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU).

Andorra

The Notes may not be offered, sold or distributed in Andorra, except in accordance with the requirements set out in the Andorran laws, in particular: Law 7/2013, May, 9, on the regime for the operating entities in the Andorran financial system and other provisions which govern the financial activities at the Principality of Andorra (the "**Law 7/2013**") and "*Llei 7/2013, del 9 de maig, sobre el règim jurídic de les entitats operatives del sistema financer andorrà i altres disposicions que regulen l'exercici de les activitats financeres al Principat d'Andorra*" and Law 8/2013, May, 9, on the organisational requirements and operating conditions of the operating entities in the Andorran financial system, the investor protection, the market abuse and financial securities agreements (the "**Law 8/2013**"), "*Llei 8/2013, del 9 de maig sobre els requisits organitzatius i les condicions de funcionament de les entitats operatives del sistema financer, la protecció de l'inversor, l'abús de mercat i els acords de garantia financer*", or any other related regulations that may be in force from time to time, as further amended, supplemented or restated.

There are no securities regulations or private placement regime in place in Andorra as stated in the Prospectus Directive, although the Institut Nacional Andorra de finances applies international standards on a regular basis. The provisions of Directive 2004/39/EC ("**MiFID**") have been implemented into the Andorran legislation by means of Law 8/2013 and it is expected that Directive 2014/59/ ("**MiFID II**") will be implemented by 31 December 2020.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

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 not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO")) other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO, or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws in Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that these Listing Particulars have 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, these Listing Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or

- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

The People's Republic of China

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the offer of the Notes is not an offer of securities within the meaning of the People's Republic of China Securities Law or other pertinent laws and regulations of the People's Republic of China and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administration Regions or Taiwan), except as permitted by the securities law of the People's Republic of China.

Spain

The Notes may not be listed, offered, sold or distributed in Spain, except in accordance with the requirements set out in the Spanish laws transposing the Prospectus Directive in Spain, in particular: Law 24/1988 of 28 July of Securities Markets, (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated (the "**Securities Markets Law**"), and Royal Decree 1310/2005, of 4 November, on admission to trading of securities in official secondary markets, public offerings and prospectus, (*Real Decreto 1310/2004, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended and restated (the "**Royal Decree 1310/2005**"), or any other related regulations that may be in force from time to time, as further amended, supplemented or restated.

For selling restrictions in respect of Spain, please see "*Public Offer Selling Restriction Under The Prospectus Directive*" above, with the difference that the exemption envisaged in Article 3(2) (e) of the Prospectus Directive, in Spain it has been set out as follows: "an offer of securities with a total consideration in the Union of less than €5 million which shall be calculated over a period of 12-month, according to Article 30 bis of the Securities Markets Law and Article 38 of the Royal Decree 1310/2005.

The Netherlands

For selling restrictions in respect of the Netherlands, see "*Public Offer Selling Restriction under the Prospectus Directive*" above and in addition:

- (a) *Regulatory capacity to provide investment services or perform investment activities*: Each Dealer under the Programme that did and does not have the requisite Dutch regulatory capacity to make offers or sales of financial instruments in the Netherlands 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 and will not offer or sell any of the Notes of the Issuer in the Netherlands, other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales;
- (b) *Specific Dutch selling restriction for exempt offers*: 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 will not make an offer of Notes which are the subject of the offering contemplated by these Listing Particulars as completed by the Pricing Supplement, to the public in the Netherlands and in reliance on Article 3(2) of the Prospectus Directive, unless:
- a. such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive) in the Netherlands; or
 - b. standard logo and exemption wording are incorporated in the Pricing Supplement, as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA"); or
 - c. such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable,

provided that, no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in the Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the paragraph headed with "Public Offer Selling Restriction Under the Prospectus Directive";

- (c) *Compliance with Dutch Savings Certificates Act:* Each Dealer has represented, covenanted and agreed that Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V. (Euronext Member) in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular issue of Notes are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

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 these Listing Particulars 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, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantor and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 7 July 2017 and the giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 16 May 2017.

Listing and Admission to Trading of Notes

Application has been made to the Irish Stock Exchange for the Notes to be admitted to trading on the Irish Stock Exchange's Global Exchange Market and to be listed on the Official List of the Irish Stock Exchange.

Documents Available

For as long as the securities are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market, copies of the following documents will, when published, be available for inspection in physical form from the registered office of the Issuer and from the specified office of the Paying Agents for the time being in London:

- (a) the constitutional documents (with an English translation thereof) of the Issuer and the constitutional documents (with an English translation thereof) of the Guarantor;
- (b) the audited financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 31 December 2014 (with an English translation thereof) and the Guarantor's consolidated financial statements of the Guarantor in respect of the financial years ended 31 December 2016 and 31 December 2015, in each case together with the audit reports prepared in connection therewith. The Issuer and the Guarantor each currently prepares audited consolidated (in the case of the Guarantor) and non-consolidated (in the case of the Issuer) accounts on an annual basis;
- (c) the most recently published audited annual financial statements of the Issuer and the Guarantor and the most recently published unaudited interim financial statements (if any) of the Issuer and the Guarantor (in each case with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith. Interim financial statements are not currently produced;
- (d) the Programme Agreement, the Agency Agreement, the Guarantee, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (e) a copy of these Listing Particulars; and
- (f) any future Listing Particulars, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (save that a Pricing Supplement will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to these Listing Particulars and any other documents incorporated herein or therein by reference.

The documents incorporated by reference into these Listing Particulars are available on the Irish Stock Exchange's website at www.ise.ie.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to

clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer since 31 December 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2015.

There has been no significant change in the financial or trading position of the Guarantor or the Andbank Group since 31 December 2016 and there has been no material adverse change in the financial position or prospects of the Guarantor since 31 December 2016.

Litigation

Neither the Issuer nor the Guarantor nor any other member of the Andbank Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Andbank Group or the Guarantor.

Auditors

The auditors of the Issuer are KPMG Accountants N.V., who have audited the Issuer's accounts, without qualification, in accordance with Dutch GAAP for the financial years ended 31 December 2015 and 31 December 2014.

The auditors of the Guarantor are KPMG S.L.U., who have audited the Guarantor's accounts prepared under Andorran Accounting Principles, without qualification, in accordance with International Standards on Auditing for the financial years ended 31 December 2016 and 31 December 2015.

The Guarantor is required by Andorran law 8/2013 (regulating the financial system) to change its auditors every eight years. KPMG S.L.U. replaced Deloitte S.L. as auditors to the Guarantor starting with the financial year ended 31 December 2012. As a member of the Guarantor's group, the Issuer also changed its auditors from Deloitte Accountants B.V. to KPMG Accountants N.V.

Dealers transacting with the Issuer and the Guarantor

The Dealer have engaged, and certain of the Dealers and their affiliates, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business.

Indicative Yield for Fixed Rate Notes

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified on the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Notes on the basis of the Issue Price. It is not an indication of future yield.

ISSUER

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Strawinskylaan 3127, 8th floor
1077ZX
The Netherlands

GUARANTOR

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Carrer Manuel Cerqueda i Escaler 6
AD 700 – Escaldes – Engordany
Principality of Andorra

ISSUING AND PRINCIPAL PAYING AGENT

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LISTING AGENT

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