

SPANISH SECURITIES AND EXCHANGE COMMISSION

In accordance with the provisions of Article 226 of Law 6/2023, of 17 March, on Securities Markets and Investment Services and Article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse, ABANCA Corporación Bancaria, S.A. ("ABANCA" or the "Issuer") hereby announces notice of the following

INSIDE INFORMATION

ABANCA has decided to invite the holders of its "€250,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities" (with ISIN Code ES0865936001) (the "Preferred Securities") to tender any and all of such Preferred Securities for purchase by ABANCA for cash (the "Offer"), subject to the offer restrictions set out below (see "Disclaimer" below) and in the Tender Offer Memorandum (as defined below).

The Preferred Securities were issued on 2 October 2018 and are admitted for trading on *AIAF Mercado de Renta Fija*. Additional details of the Preferred Securities and of the Offer are set out in the table below:

Description of the Preferred Securities	ISIN	Aggregate principal amount outstanding	First optional redemption date	Purchase price	Amount subject to the Offer
€250,000,000 Perpetual Non-Cumulative Additional Tier 1 Preferred Securities	ES0865936001	€250,000,000	2 October 2023	100%	Any and all of the Preferred Securities

The Offer is made subject to the satisfaction of the New Financing Condition (as defined below) and the other terms and conditions included in the Tender Offer Memorandum dated 5 July 2023 (the "Tender Offer Memorandum"). Capitalised terms used in this announcement and not otherwise defined have the meanings ascribed to them in the Tender Offer Memorandum. Holders of Preferred Securities are advised to read the Tender Offer Memorandum carefully for full details and the procedures for participating in the Offer.

Each holder of Preferred Securities may tender its Preferred Securities, in the manner specified in the Tender Offer Memorandum, during the period from, and including, 5 July 2023, until, and including, 17:00 hours (CEST) on 11 July 2023, unless the Offer is extended, withdrawn or terminated at the sole and absolute discretion of ABANCA (the "Offer Period").

Rationale for the Offer

The purpose of the Offer and the proposed issuance of New Preferred Securities (as defined below) is, among other things, to efficiently manage ABANCA's Tier 1 capital position, improve its credit profile and optimise its future interest expense. In addition, the Offer will provide liquidity to those holders whose Preferred Securities are accepted in the Offer.

Amount subject to the Offer

ABANCA may accept for purchase any and all of the Preferred Securities tendered pursuant to the Offer, subject to the New Financing Condition. ABANCA's acceptance for purchase of any Preferred Securities tendered pursuant to the Offer will be at ABANCA's sole and absolute discretion and tenders may be rejected by ABANCA for any reason. Preferred Securities accepted for purchase will in no circumstances be subject to pro-ration.

Purchase Price and Distribution Payment

The price payable for Preferred Securities tendered in the Offer will be equal to 100 per cent. of the principal amount of Preferred Securities accepted for purchase pursuant to the Offer (being €200,000 per €200,000 in principal amount of the Preferred Securities accepted for purchase pursuant to the Offer). In respect of any Preferred Securities accepted for purchase pursuant to the Offer, and unless the distribution of the Preferred Securities is cancelled for that period, ABANCA will also pay an amount equal to any accrued and unpaid distribution on the Preferred Securities from, and including, the distribution payment date for the Preferred Securities immediately preceding the Settlement Date (as defined below) (i.e. 2 July 2023) up to, but excluding, the Settlement Date, which is expected to be no later than 14 July 2023.

Preferred Securities repurchased by ABANCA pursuant to the Offer will be cancelled. Preferred Securities which have not been validly tendered and accepted for purchase pursuant to the Offer will remain outstanding after the Settlement Date.

New Financing Condition

ABANCA announces its intention to issue, subject to market conditions, perpetual non-cumulative additional tier 1 preferred securities in denominations of €200,000 each in an aggregate principal amount of €250,000,000 (the "**New Preferred Securities**"). Whether ABANCA will accept for purchase any Preferred Securities validly tendered in the Offer is subject, among others, to the settlement of the issuance of the New Preferred Securities (the "**New Financing Condition**").

ABANCA's ability to issue the New Preferred Securities will depend, in part, on market conditions and, until the signing of the subscription agreement to be entered into by the Issuer and the joint lead managers with respect to the New Preferred Securities, the Issuer may in its sole and absolute discretion, decide not to proceed with the issuance of the New Preferred Securities for any reason. In addition, the issuance of the New Preferred

Securities is subject to the satisfaction of certain conditions precedent set forth in the subscription agreement.

Any investment decision to purchase any New Preferred Securities should be made solely on the basis of the information contained in the preliminary prospectus that will be made available to investors, together with pricing details (when available) (the "**Preliminary Prospectus**"). The Issuer will, following the completion of the offering, file a prospectus (the "**New Preferred Securities Prospectus**") with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") for the admission to trading of the New Preferred Securities. Once registered, it will be made available on the websites of the Issuer (www.abancacorporacionbancaria.com) and the CNMV (www.cnmv.es). No reliance is to be placed on any representations other than those contained in the Preliminary Prospectus in respect of the offering of the New Preferred Securities and the New Preferred Securities Prospectus.

For the avoidance of doubt, the ability to purchase New Preferred Securities is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant holders and the selling restrictions set forth in the "*Subscription and Sale*" section of the New Preferred Securities Prospectus). It is the sole responsibility of each holder to satisfy itself that it is eligible to purchase the New Preferred Securities.

Priority in the allocation of the New Preferred Securities

A holder who wishes to subscribe for New Preferred Securities in addition to tendering Preferred Securities for purchase pursuant to the Offer may, at the sole and absolute discretion of ABANCA, receive priority in the allocation of the New Preferred Securities (the "**New Preferred Securities Priority**"), subject to the issuance of the New Preferred Securities and such holder making a separate application, prior to allocation of New Preferred Securities, for the purchase of such New Preferred Securities to the Sole Dealer Manager (in its capacity as a joint lead manager of the issue of the New Preferred Securities) or to any other joint lead manager of the issue of the New Preferred Securities, in each case in accordance with the standard new issue procedures of such joint lead manager.

The Issuer intends that a key factor in the allocation of the New Preferred Securities is whether holders have validly tendered or indicated to the Issuer or the Sole Dealer Manager (in its capacity as joint lead manager of the issue of the New Preferred Securities), or to any other joint lead manager of the issue of the New Preferred Securities, in each case in accordance with the standard new issue procedures of the relevant joint lead manager, their firm intention to tender their Preferred Securities. In allocating the New Preferred Securities, the Issuer intends to give preference to those holders who, prior to such allocation, have validly tendered or indicated to the Issuer or the Sole Dealer Manager (in its capacity as a joint lead manager of the issue of the New Preferred Securities) or to any other joint lead manager of the issue of the New Preferred Securities, in each case in accordance with the standard new issue procedures of the relevant joint lead manager, their firm intention to tender the Preferred Securities and subscribe for New Preferred Securities. However, the Issuer is not obliged to allocate the New Preferred Securities to

any holder who has validly tendered or indicated a firm intention to tender the Preferred Securities pursuant to the Offer and the aggregate principal amount of New Preferred Securities for which New Preferred Securities Priority will be given will be at the sole discretion of the Issuer and may be less than, equal to or greater than the aggregate principal amount of Preferred Securities validly tendered by such holder in the Offer. Any allocation of the New Preferred Securities, while being considered by the Issuer as set out above, will be made in accordance with customary new issue allocation processes and procedures.

If a holder validly tenders Preferred Securities pursuant to the Offer, such Preferred Securities will remain subject to such tender and the conditions of the Offer as set forth in the Tender Offer Memorandum, regardless of whether such holder receives all, any or none of any of the allotment of the New Preferred Securities for which it has applied.

The pricing of the New Preferred Securities is expected to take place prior to 11 July 2023 at 17:00 (CEST) (the "Expiration Deadline") and therefore holders are advised to contact the Sole Dealer Manager (in its capacity as a joint lead manager of the issue of the New Preferred Securities) or any other joint lead manager of the issue of the New Preferred Securities, in each case in accordance with the standard new issue procedures of the relevant joint lead manager, as soon as possible prior to the Expiration Deadline in order to request New Preferred Securities Priority.

Amendment and Termination

ABANCA reserves the right, in its sole and absolute discretion, to extend, reopen, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer at any time after the announcement of the Offer, as described in the Tender Offer Memorandum.

Procedure for participating in the Offer

Iberclear Tender Instructions and Electronic Tender Instructions may be submitted during the Offer Period through the website of Kroll Issuer Services Limited (the "Tender Agent") at <https://deals.is.kroll.com/abanca> or by email at abanca@is.kroll.com, as further specified in the Tender Offer Memorandum. Holders must tender their Preferred Securities specifying the aggregate outstanding principal amount of the tendered Preferred Securities in the manner set forth in the Tender Offer Memorandum under "*Procedures for participating in the Offer*".

Holders whose Preferred Securities are held on their behalf by a bank, securities broker or other intermediary are advised to inquire with such entity whether such intermediary requires instructions to participate in, or revoke their instructions to participate in, the Offer prior to the deadlines set out above. **The deadlines set by any such intermediary and each Clearing System for the revocation instructions will be earlier than the relevant deadlines specified above.**

Acceptance of tenders and Settlement Date

A tender of Preferred Securities may be accepted by ABANCA, if no extension, amendment or re-opening of the Offer Period has occurred, on the results announcement date (expected to be on 12 July 2023). ABANCA is under no obligation to accept tenders of Preferred Securities. The acceptance of tenders of Preferred Securities by ABANCA is at the sole discretion of ABANCA and tenders of Preferred Securities may be rejected by ABANCA for any reason.

If (a) the Preferred Securities validly tendered in the Offer are accepted for repurchase by the Issuer and (b) the New Financing Condition is satisfied, the purchase of Preferred Securities validly tendered pursuant to the Offer and accepted for purchase by the Issuer is expected to be settled on the 14 July 2023 ("**Settlement Date**") or, in the event of an extension, amendment or re-opening of the Offer Period, on such later date as is notified to holders by ABANCA.

On the Settlement Date, the depositary entities through which the relevant holder of Preferred Securities have submitted the Iberclear Tender Instructions will transfer the relevant Preferred Securities in respect of which the relevant tender of Preferred Securities has been accepted, against payment of the Purchase Consideration, to the relevant securities account held by or on behalf of ABANCA at Iberclear, as further described in the Tender Offer Memorandum.

Indicative timetable

The following calendar is provided for purely informative purposes and subject to changes by ABANCA. Accordingly, the final times and dates might differ significantly from the ones indicated below:

<u>Date and time</u>	<u>Number of Business Days from and including Launch</u>	<u>Actions</u>
5 July 2023	Day 1	<i>Commencement of the Offer</i> Offer announced by way of communication to the CNMV and announcements on the relevant Notifying News Service(s) and through the Clearing Systems. Tender Offer Memorandum available from the Tender Agent.
On or before the Expiration Deadline		<i>Pricing of the New Preferred Securities</i>
11 July 2023 17:00 hours (CEST)	Day 5	<i>Expiration Deadline</i> Deadline for receipt by the Tender Agent of all Tender Instructions in order for holders to be able to

12 July 2023 As Day 6
soon as reasonably
practicable

14 July 2023 Day 8

14 July 2023 Day 8

participate in the Offer.

Announcement of Results of Offer

Announcement of the Issuer's decision whether to accept valid tenders of Preferred Securities for purchase pursuant to the Offer, subject to the satisfaction of the New Financing Condition and, if so accepted, confirmation of the Settlement Date; announcement of the final aggregate principal amount of the Preferred Securities tendered and accepted for purchase pursuant to the Offer and the principal amount of Preferred Securities that will remain outstanding after the Settlement Date, distributed by way of communication to the CNMV and announcements on the relevant Notifying News Service(s) and through the Clearing Systems.

Expected New Issue Settlement Date

Issue of New Preferred Securities and settlement of such new issue (subject to the satisfaction of certain conditions precedent set out in the subscription agreement to be entered into by the Issuer and the joint lead managers in respect of the New Preferred Securities).

Expected Settlement Date

Subject to satisfaction of the New Financing Condition, expected Settlement Date for the Offer. Payment of Purchase Consideration in respect of the Offer.

This is an indicative timetable and may be subject to change. Holders are advised to check with any bank, securities broker or other intermediary through which they hold Preferred Securities when such intermediary would require to receive instructions from a holder in order for that holder to be able to participate in, or (in the limited

circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.

All announcements in connection with the Offer will be made by way of communication to the CNMV. Such announcements may also be made by (i) the issue of a press release to a Notifying News Service and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all such announcements, press releases and notices can also be obtained from the Tender Agent, the contact details for whom are below. Significant delays may be experienced where notices are delivered to the Clearing Systems and holders of Preferred Securities are urged to contact the Tender Agent for the relevant announcements relating to the Offer.

Update on solvency data and MREL of ABANCA

Attached as an **Annex** to this inside information communication is certain information about ABANCA that may be of interest in the context of the Offer and the issuance of the New Preferred Securities.

Further Information

The Tender Offer Memorandum contains a full description of the terms and conditions of the Offer. Crédit Agricole Corporate and Investment Bank is the Sole Dealer Manager in respect of the Offer. Kroll Issuer Services Limited is the Tender Agent in respect of the Offer.

Any information request in relation to the Offer should be addressed to:

THE SOLE DEALER MANAGER

Crédit Agricole Corporate and Investment Bank

12, place des Etats-Units
CS 70052
92547 Montrouge Cedex
France

Telephone: +44 (0) 207 214
5903

Email: liability.management@ca-cib.com
Attention: Liability Management

Requests for information in relation to the procedures for submitting
Tender Instructions should be directed to:

THE TENDER AGENT

Kroll Issuer Services Limited
The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Telephone: +44 207 704 0880

Email: abanca@is.kroll.com

Website: <https://deals.is.kroll.com/abanca>

Attention: David Shilson / Illia Vyshenskyi

The Sole Dealer Manager does not take responsibility for the contents of this announcement and none of ABANCA or the Sole Dealer Manager or the Tender Agent or any of their respective bodies, affiliates, agents or employees makes any recommendation in this announcement or otherwise as to whether or not holders of the Preferred Securities should tender Preferred Securities or subscribe for New Preferred Securities. This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any holder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent adviser. Anyone whose Preferred Securities are held on its behalf by a bank securities broker or other intermediary are advised to check with such entity whether such intermediary if it wishes to tender such Preferred Securities pursuant to the Offer.

Disclaimer: The Offer is not being made in any jurisdiction where it is unlawful under applicable legislation and, in particular, it does not constitute a tender offer or an offer of securities to any person located or resident in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws including, without limitation, the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the district of Columbia (the "United States"), nor does it constitute a tender offer or an offer of securities to any addressee in the United States. The Offer is also subject to the Offer and Distribution restrictions relating to the United Kingdom, France, Italy and Spain, as set out in the Tender Offer Memorandum. The distribution of this announcement or the Tender Offer Memorandum in certain jurisdictions may be restricted by law. This announcement and the Tender Offer Memorandum are not distributed to any person located or resident in the United States or to any U.S. Person or in or into or to any person located or resident in any other jurisdiction where or to whom it is unlawful to distribute this announcement. Persons into whose possession this announcement or the Tender Offer Memorandum comes are required by each of the Issuer, the Sole Dealer Manager and the Tender Agent to inform themselves about and to observe any such restrictions.

5 July 2023

ANNEX

UPDATE ON SOLVENCY DATA AND MREL

The tables below show the impact of certain transactions on ABANCA capital ratios and MREL as at 31 March 2023. In particular, the data is updated after giving pro forma effect (as applicable) to the following transactions as if they had occurred on 31 March 2023:

- Issuance of € 500 million senior preferred notes on 18 May 2023.
- Issuance of €500 million tier 2 notes issued on 23 June 2023.
- Buy-back of the issuance “€350 million Fixed Rate Reset Tier 2 Notes due 2029” on 23 June 2023.

Ratios of ABANCA (individual)

	31.03.2023	Pro forma		31.03.2023	Pro forma
Ratios*	Phase-in		Ratios*	Fully Loaded	
CET1	11.87%	11.87%	CET1	11.70%	11.70%
Tier 1	13.76%	13.76%	Tier 1	13.59%	13.59%
Total Capital	15.73%	16.18%	Total Capital	15.56%	16.01%

* Data in percentages (rounded to the nearest whole number).

Ratios of the ABANCA Group

	31.03.2023	Pro forma		31.03.2023	Pro forma
Ratios*	Phase-in		Ratios*	Fully Loaded	
CET1	12.30%	12.30%	CET1	12.09%	12.09%
Tier 1	14.22%	14.22%	Tier 1	14.01%	14.01%
Total Capital	16.21%	16.68%	Total Capital	16.00%	16.46%

	31.03.2023	Pro forma
MREL ratios*		
TREA	19.29%	21.28%
LRE	8.77%	9.68%

* Data in percentages (rounded to the nearest whole number).