

General characteristics of Bonos and Obligaciones del Estado indexed to European inflation	
<b>Principal</b>	1.000 €
<b>Real coupon</b>	Defined as a fixed percentage of the principal. It is determined at issue and remains fixed until maturity.
<b>Paid coupon</b>	Annual coupon calculated according to the following formula: real coupon x nominal x indexation coefficient. The coupon will be rounded to the closest cent to determine the amount to be paid.
<b>Reference index</b>	Harmonized index of consumer prices excluding tobacco for the Eurozone, published by Eurostat on a monthly basis (HICPxT).
<b>Daily inflation reference</b>	<p>The daily inflation reference for inflation calculated by linear interpolation according to the following formula:</p> <ul style="list-style-type: none"> <li>- The reference applicable to the first day of the month m is the HICPxT for month m-3;</li> <li>- the reference for any other day of month m is calculated by linear interpolation between the HICPxT for month m-3 and the HICPxT for month m-2, according to the following formula.</li> </ul> $IR_{d,m} = \text{HICPxT}_{m-3} + (\text{HICPxT}_{m-2} - \text{HICPxT}_{m-3}) * (d-1) / dd$ <p>Where:  <i>d</i> stands for the number of the day in month m for which the daily inflation reference is calculated.  <i>dd</i> stands for the total number of days in month m.</p>
<b>Basic reference</b>	Daily inflation reference on the first day of interest and inflation accrual. This is the base reference to calculate total accrued inflation on a given date during the life of a bond.
<b>Indexation coefficient</b>	<p>Calculated from the formula below:</p> $IC_{d,m} = \frac{\text{Daily inflation Reference}_{d,m}}{\text{Basic reference}}$
<b>Rounding rules</b>	Both daily inflation references and indexation coefficients will be rounded to the nearest fifth decimal after truncating up to the sixth decimal.
<b>Indexation method</b>	The indexation coefficient applicable on the paying date will be applied to all cash flows, including coupons, principal and accrued interest.
<b>Redemption</b>	<p>Repayment at redemption date will be calculated as:</p> <p>Nominal x indexation coefficient applicable at maturity date.</p> <p>Should the daily inflation reference at maturity be lower than the</p>

basic reference, redemption at par is guaranteed.

<b>Accrued interest</b>	Will be calculated according to the following formula: Real coupon x (number of days passed / exact number of days in the interest period) x nominal x indexation coefficient.
<b>Revisions to the index</b>	Revisions to the HICPxT after publication will not lead to revisions in the coupon, accrued interest or principal calculated on the basis of the index initially published.
<b>Substitute index</b>	Should the index for month t not have been published at least 15 days prior to a payment date, a substitute index shall be used, determined on the basis of the following formula: $SI_t = HICPxT_{t-1} * (HICPxT_{t-1} / HICPxT_{t-13})^{1/12}$ Payments of coupon or principal based on the substitute index will not be revised.
<b>Rebasing</b>	Should the index be rebased, the transition between two consecutive months for which the HICPxT has been calculated with two different bases will not alter the normal evolution of the Indexation Coefficient.
<b>Convention</b>	Actual / Actual (ICMA), Unadjusted Following